

FINANCIAL LITERACY FOR SENIOR IMMIGRANTS



Author: Allyson Wu
Editor in Chief: Helen Cao
Editor: Dr. Xiao Han



Preface

The importance of strong financial literacy in today's world cannot be understated. Improving financial literacy directly leads to increased quality of life and improved personal finances.

As there is currently no literature combining financial information for both seniors and immigrants to Canada, there is a clear need for such a resource. With this handbook, CNIW Foundation hopes to improve the lives of senior immigrants through financial health promotion and education.

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MANAGING CURRENT AFFAIRS



Opening a Bank Account

Two pieces of government issued identification are needed to open a Canadian bank account. There are two main types of accounts: chequing and saving.

Chequing Accounts

Offer easy access to funds, and are used for everyday transactions.

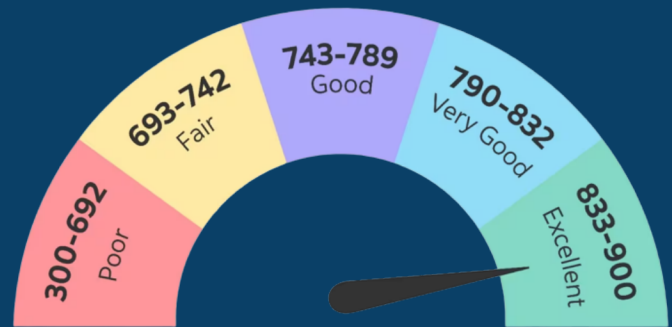
Savings Accounts

Offer interest on your funds, and are ideally where your money rests and doesn't move.



Building Credit

Your credit score is between 300 and 900 and expresses how likely you are to pay loans back on time. Senior immigrants can accumulate good credit by paying off their credit card bills monthly and in full. Experts also recommend not exceeding 35% of your credit limit and diversifying credit types.



Depositing

- Deposit Slip
- Cheque
- Wire Transfer
- International Money Order

Withdrawing

- Cheque
- ATM
- Bank Teller
- Making Purchases with Debit or Credit

Intl. Transfers

- Banks
- Credit Unions
- Money Transfer Businesses (Western Union, Xoom, etc.)

Fees

Bonuses & Other

Scotiabank	No monthly fees for one year	Welcome bonuses and gifts (eg: \$350 welcome bonus with chequing account) Free international money transfers
BMO	No monthly fees for one year (waived on \$4000+ balances)	Welcome bonuses, some fees waived (\$450 opening cash bonus) Free international money transfers for the first year
TD	No monthly fees for one year	\$300 welcome bonus, some fees waived Free intl. transfers for the first year, phone service in up to 200 languages
CIBC	No monthly fees for two years (waived on \$4000+ balances)	\$350 welcome bonus with chequing account Free international money transfers
RBC	No monthly fees for one year for some accounts	No cash bonuses Two free intl. transfers per month for a year, phone service in up to 200 languages
NBC	No monthly fees for up to three years	No cash bonuses Exclusive phone support and expert advisors for newcomers for up to a year
HSBC	No monthly fees for one year	Welcome bonus of \$500, bonuses of \$50 if you open a safety deposit box or send international wire transfers Specializes in multi-currency savings



Choosing a Bank as a Newcomer to Canada

For all options:

Electronic transactions: Free and unlimited

Credit cards: Available with no credit history required

Fees: Monthly fees waived for 1-3 years

Eligibility: Resident of Canada for less than 5 years (3 years for Scotiabank)

FINANCIAL PREPARATION FOR THE FUTURE



Setting Goals

When possible, financial goals should be **S.M.A.R.T.—specific, measurable, achievable, realistic, and timely**. This helps ensure that they are well-defined and trackable.

Consider asking yourself these questions:



What are my reasons for wanting to save money?



How long do I want to give myself to achieve each goal?



How much money do I need to achieve what I want?



How realistic is this goal?

Example goals:

- Saving \$30,000 for a grandchild's college education over five years
- Helping regularly fund \$1000 monthly mortgage payments for family

To make a financial plan, consult free software like MoneyGuidePro or Mint, or contact a trained professional. Most individuals should be **reviewing** their financial plan at least once a year, or after major life events such as significant changes in income or retirement.

Possible factors to consider are:



Current and future living expenses



Current and future income sources



Investment portfolio



Debt sources

A financial plan looks at **where you are now** and **where you want to be in the future**, and it lays out steps to help you get there.

Making Plans

Investing

Identify how much you wish to invest and why you're investing before selecting from your options. Strategies vary in return (the profit you make), risk (the uncertainty involved), and liquidity (the ability to cash in). Find a balance for your own portfolio.

	Risk	Good for:
Stocks	Moderate to high	Investors who want to hold shares in specific companies
Mutual Funds	Low to high	Investors who want to diversify their investments and have professional management
Bonds	Low to high	Investors who want regular income and capital protection
Term Investments / GIC	Low	Investors looking to protect their capital while earning interest
High-Interest Savings Account	Low	Investors looking to store capital that they don't plan to use while earning interest
Exchange Traded Funds (ETFs)	Low to high	Investors who want to invest in diversified, low-fee investments

Budgeting

Needs: essential expenses

Wants: non-essential expenses

Fixed Costs: the same every period

Variable Costs: changing regularly

Utilize budget categories to identify what costs you can cut down on: and don't forget to set some funds aside for emergencies!

Borrowing

Senior immigrants can borrow money, using banks, credit unions, cash lenders, cash advance apps, and more. Some options may have stricter credit requirements when approving loans.



Before signing a contract, ensure you thoroughly understand the terms that you are agreeing to, as well as the details of your loan's repayment policy.

PUBLIC BENEFITS



Under 10 Years Since Arrival



Ontario Works is a social and financial assistance program for those who are finding and preparing for jobs. It provides monthly payments along with other support.

Ontario Drug Benefit Program covers the cost of over 5000 drugs for seniors 65 and over.

Ontario Health Insurance (OHIP) is Ontario's health care plan, and pays for many essential health services

Social Security Agreement

Benefits will help Canadian residents who have worked in some foreign countries and have paid into social security plans in the past.

Language Instruction for Newcomers to Canada (LINC) is free and will help newcomers learn English and French.

The **Benefits Finder** at www.canadabenefits.gc.ca will give you a customized list of benefits you may be eligible for.

Tax Benefits

- Ontario Trillium Benefit
- Canada child benefit
- Ontario senior homeowners' property tax grant
- GST/HST credit
- Disability tax benefit
- Ontario seniors public transit tax credit
- Ontario seniors care at home tax credit

Over 10 Years Since Arrival



Canada Pension Plan (CPP)

The CPP is a monthly, taxable contributory pension related to your life earnings. To qualify, you must be at least 60 years old and have contributed at least once through working in Canada or through receiving credits from a current or former spouse. Newcomers can apply immediately as long as they have contributed.

Old Age Security (OAS)

The OAS pension is a monthly, taxable non-contributory pension related to time spent living in Canada. If you have lived in Canada for **at least ten years**, payments begin after you turn 65. Payments increase for every year lived in Canada after the age of 18. Immigrant seniors may be able to receive OAS earlier if they have lived in a country that has social security agreements with Canada.

Guaranteed Income Supplement (GIS)

The GIS is a monthly, nontaxable non-contributory pension available to low-income individuals who receive OAS. Payment amounts for the GIS are reviewed four times a year and are based on the cost of living in Canada.

The Allowance

The Allowance is a monthly, nontaxable non-contributory pension available to the spouse of a pensioner that receives GIS. The final recipient must be between the ages of 60 to 64.

Sponsorship

Sponsored immigrants cannot apply for OAS, GIS, or the Allowance before they have hit the ten year residence requirement unless their sponsor suffers personal bankruptcy, is imprisoned for more than six months, is convicted of abusing them, or dies.

COMBATTING EXPLOITATION



Frauds and Scams



Financial Fraud

Intentional deception or criminal activity designed to take money or other assets from you.

Common Types of Fraud

- **Telephone scams** where scammers may pose as family members, lottery workers, government workers, or more. They may steal information or collect money.
- **Technical support scams** have scammers claiming there is a problem with a device to persuade the victim to send payments.
- **Romance scams** where scammers will feign romantic intentions before asking for money and gifts.
- **Internet phishing** where victims are tricked into giving out sensitive information through email or text
- **False investment fraud** is “professionals” deceiving investors or manipulating markets.

Questions to Ask

1. Are you being pressured to act now?
2. Are you being asked to send money to someone you are unfamiliar with?
3. Is there third-party information available?



Steps to Take

- If you face language barriers, contact a trusted and objective translator
- Never share your PIN and passwords with anyone
- Check financial statements often so you can identify unusual charges
- Always double-check information and pay attention to warnings before acting

Fraud Prevention

Financial Abuse

Senior immigrants are especially vulnerable to financial abuse as they face language and cultural barriers while managing finances and may be dependent on others.

Monetary Abuse

Separating a senior from their money.

- Denial to access
- Pressuring payments

Property Abuse

Inappropriate usage of a senior's property.

- Stripping equity
- Pressure to sign assets over

Legal Abuse

Manipulating a senior's legal documents to benefit someone else.

- Forging signatures
- POA abuse

Identifying It

Financial abuse is extremely underreported among Canadian seniors. Some actions that may not seem like financial abuse but are include:

- Refusing to pay back a loan
- Having someone take a valuable possession from you
- Having your bank account be used without your permission
- Being pressured to give money
- Being charged more than agreed upon before work is done

Reporting It

Senior immigrants, especially Chinese and South Asian ones, often struggle to report abuse due to cultural stigmatization around discussing family issues. It's important to note that there are many senior organizations that are designed to help. Always report abuse to someone you trust.

To defend yourself against financial abuse preemptively, you should keep a file of your accounts and all associated documents. Then you will have a record of transactions and be able to notice changes.



SUMMARY AND RESOURCES



Learning to navigate managing current affairs and planning for the future while still taking advantage of public benefits and dodging financial exploitation is not simple. However, despite all of these challenges, cultivating strong financial literacy is a critical asset to maintaining overall well-being. It is never too late to start learning.

Resources

Financial Consumer Agency of Canada

This federal agency has created a financial literacy program it calls “Your Financial Toolkit.” It also offers a variety of tools for newcomers such as a Budget Calculator and a Credit Card Selector. Both of these resource banks are online.

Government of Canada

Find free newcomer services through the Government of Canada’s website with ircc.canada.ca/english/newcomers/services. Another tool offered is the Benefits Finder at www.canadabenefits.gc.ca, which will give you a customized list of benefits after a series of questions. Senior newcomers can filter results for both of these even further.

The Little Black Book of Scams

This PDF aims to increase awareness of the many types of scams that target Canadians. It is available in Arabic, Traditional and Simplified Mandarin, English, French, Punjabi, Spanish, and Tagalog on Competition Bureau Canada’s website.

Canadian Anti-Fraud Centre

If you have been targeted by a scam, report it online at www.antifraudcentre-centreantifraude.ca or toll-free at 1-888-495-8501. Please also contact your local police as soon as possible.

Elder Abuse Prevention Ontario

Call at 1-866-299-1011