

Indigenous Peoples' MONEY YOUTH



Teacher's Guide

Module 14 - Protecting Assets and Planning for Financial Independence

This lesson can be used as a companion to:

Indigenous Peoples' Money and Youth

Module 14 - Protecting Assets and Planning for Financial Independence

Relevant Subjects and Topics:

Family Studies, Economics, Man in Society, Business Studies

Background Information:

Young people experience a number of challenges as they embark on their working careers. Finding a job, establishing a residence, building wealth and perhaps getting married and starting a family are all major concerns. Often, the demands of the present cloud the need both to protect the assets that are developed and to plan for financial independence and retirement. These two needs, however, are important if these young people are to protect themselves from the curves that life can throw at them and to have a retirement that fits their expectations. Taking steps early in their working lives is essential in order to meet these goals. This lesson will focus the students' attention on the need for both insurance to protect current assets and the importance of beginning early to address future financial independence.

Outcomes:

At the end of this lesson, students will be able to:

- Outline factors which affect the cost of insurance
- Describe the different types of insurance
- Explain the need to plan for financial independence
- Enumerate various sources of income during retirement years

Time for Implementation:

Two class periods of approximately 60 minutes each.

Teaching and Learning Strategies:

Period One: 60 minutes

- Begin the lesson by signifying to the students that you realize that most of their attention with respect to jobs and careers is logically focused on the immediate future.
- Indicate to them, however, that it is important for them to consider long range goals and hoped for financial independence and a long life once their working careers are over.
- Inform them that starting early is a key factor in attaining these goals.
- Ask them to take a moment and think about what they would like their life to be like after they have finished their working career.
- Have a few volunteers offer their dreams about their post-working lifestyle.
- Ask them to indicate how they will support this lifestyle.
- Once they have offered how they would support themselves in this retirement age, ask them what they would do during their working years to protect and enhance any assets that they accrue.
- With this as background, indicate to them that there are two important areas to consider about their post-working lives – how they protect the current assets that they develop in order to avoid losing them and what sources of income they will have to support their post-working lifestyle.
- Explain to them that the focus of the first period of the lesson will be on protecting assets and the second period of the lesson will deal with financially supporting a post-working lifestyle.

- Indicate to them that they will engage in a Think, Pair, Share activity and assign the following questions for the students to answer individually:
 1. What is the role of insurance?
 2. What affects not only whether you can get insurance but also the costs of that insurance?
 3. What are the two basic types of insurance?
 4. What are the two types of life insurance and what is the difference?
- Allow the students a few minutes to answer the questions and then pair them up with a classmate and have them share their responses with that person.
- Once they have done that and compiled the best answers based on the two reports, hold a plenary session during which the pairs can report and a comprehensive, total class answer can be developed.
- Once this has been done, their answers can be compared to the information in Module 14 of “Indigenous Peoples’ Money and Youth” if desired.
- As a concluding activity, ask the students, for homework, to note what types of insurances their household has. Be reminded that most on reserve households do not have insurance.

Period Two: 60 minutes

- Begin the second period by checking the homework task by asking the students to report on what types of insurances they found. Ask them if they know why or why not insurance is either available or not.
- Remind the students that, having examined ways of protecting assets as well as possible, the focus of the lesson will now turn to the second major issue in considering financial independence – the sources of income to support a post-work lifestyle and what needs to be done to develop, manage or protect those sources.

- Reconvene the students into their pairs from the previous class and ask the pairs to develop a list of what they believe are sources of income that can be accessed in order to support the retirement lifestyle.
- Once they have done this, ask them to examine each one and explain how that income source is earned. For example, any pension that is involved is paid for throughout your working career; RRSP's have to be taken out and paid for by the individual; the sale of assets, such a property etc. brings in a onetime lump sum.
- Once the pairs have completed this, inform the class that they are going to be involved in a “Doubling Up” activity during which each pair will be combined with another pair and the foursome will compare notes and develop as complete an answer as possible.
- Once that has been done the foursome will be combined with another foursome and the process repeated.
- Having completed this task, have each of the groups of eight report back to the class as a whole and compile a total class response to the task.
- Having completed this, have the students check the material in Module 14 of “Indigenous Peoples’ Money and Youth” in order to see if anything has been overlooked.

Evaluation:

- The pairs, foursomes and groups of eight reports could be handed in.

Modifications or Suggestions for Different Learners:

- The group structure allows for different roles – recorder, reporter, etc. so personal needs can be met by choosing the necessary role. The initial pairings could allow for an individual to write their findings rather than provide an oral report.

Additional Related Links:

- How RRSPs work – <https://www.getsmarteraboutmoney.ca/plan-manage/retirement-planning/rrsps/how-rrsps-work/>
- RRSP vs. TFSA - <https://www.theglobeandmail.com/globe-investor/personal-finance/the-wealthy-barber-explains-tfsa-or-rrsp/article1356709/>
- Eight Key Sources of Income During Retirement - <https://www.milliondollarjourney.com/7-key-sources-of-income-during-retirement.htm>
- Pensions Explained - <https://www.milliondollarjourney.com/defined-benefit-pension-vs-defined-contribution-pension.htm>

Additional Possible Activities:

- The students could research RRSPs to see the variances that exist and why it is important to start early.
- The students could explore the differences between RRSPs and TFSAs.
- The students could research the amount of income needed for a specific lifestyle after retirement.
- The students could research and calculate what a certain savings plan would generate in funds by the time of retirement.