Metro Toronto Movement for Literacy

FINANCIAL LITERACY

Workbook 1

INCOME AND EXPENSE

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Content

What is this Workbook about?

This module helps instructors teach adult learners how to understand and manage money in their daily lives. It focuses on building confidence with real-world tasks like paying bills, budgeting, and planning for the month.

Purpose of the module

The module introduces core financial literacy ideas: what income and expenses are, how to tell needs from wants, and how to plan so essential costs are covered first. It supports learners to see that financial literacy is not about being rich, but about making thoughtful, informed money decisions over time.

What the lessons cover

- Identifying needs and wants, and deciding what to pay for first when money is limited.
- Building and using a simple monthly budget with realistic dollar amounts.
- Tracking money in and out of a bank account using a basic transaction table.
- Understanding different types of income (wages, salary, social assistance) and the impact of taxes and deductions on take-home pay.
- Comparing income and expenses in realistic scenarios and exploring options when there is not enough money to cover costs.

Instructional focus

The module uses concrete, Canadian-based examples (e.g., Ontario wages, rent, Ontario Works, child benefits) and everyday contexts such as housing, groceries, transportation, phones, and childcare. Activities are designed to be discussion-based and problem-solving oriented, so instructors can connect the math and financial concepts to learners’ real experiences and local resources.

What is Financial Literacy?

Every day, people make choices about money. Some choices are small like buying a snack. Some are bigger, like saving for a vacation or paying for a home. Learning how to make smart choices with money is called **financial literacy.**

Financial literacy can mean understanding how money works and how to use it wisely. You already make money decisions every day.

- you might compare prices at a store 
- decide how much to spend at a school fundraiser; or 

- think about whether something is a “want” or a “need” 

Families often make financial decisions together. They may decide how to spend money on things like

- groceries 
- clothes 
- transportation 
- phones 

- entertainment. 

You may also pay bills for things like electricity, water, internet, and housing. *All of these choices are part of financial literacy.*

DID YOU KNOW?

- Being financially literate does not mean being rich. It means *making thoughtful decisions and planning ahead.*
- If you *save a little money each week*, you can work toward buying something important later.
- *If you spend all your money immediately, you may not have enough for something you really need or want in the future.*

Learning to budget, save, and spend carefully can help people feel more confident and prepared.

Lesson 1: Budget Your Money

What is this unit about?

In this lesson, you will start thinking about:

- How you use money in your own life
- What it means to “budget your money”

You will look at:

- Common expenses
- Decide which ones are needs
- Which ones are wants
- Begin to see how these decisions add up over a month

Objectives

You will be able to:

- Explain, in your own words, what a budget is and why it is helpful “for a rainy day.”

- Sort everyday items (like rent, groceries, clothing, and phones) into “needs” and “wants” when planning how to spend money.

- Use a simple table to list expenses and estimate how much each item will cost in a month.

- Decide whether a given amount of money (for example, $2,500) is enough to cover identified needs before spending on wants, and describe possible next steps if there is not enough.

Activity

You have $2500. On what might you spend it?

- A fixed expense can be called “something you ***need*** each month.”
- A variable expense can be called “something you ***want***.”

1. **In the table below, list :**

- 2 needs you have to pay for each month
- 2 wants you might have to buy in a month

One is already shown for you in the chart.

Needs	Wants
Rent	New sweater

Eating before you go to the grocery store has shown that you will spend less money when you are there. When people shop while hungry, foods like chips, candy, baked goods, and snacks often look more tempting.

2. **Find how much each item in the chart above will cost you and add it to the table.** *This will help you start to build a budget.*

Needs Cost	Wants Cost
1. Rent Cost:	1. New sweater Cost: ....
2. .... Cost:	2. .... Cost: ....
3. .... Cost:	3. .... Cost: ....

You have now started to build a budget. A **budget** 

is a plan to spend money, ensure you have enough money, and perhaps even save some money “for a rainy day”.

Discuss and Share

Look at the budget you have created. You have $2500.

1. Is there enough money to pay for all 3 of the needs?
2. How much, if any, do you have left after you pay for the needs?
3. If you don’t have enough money, what might you do?
4. Do you now have enough money left over to buy any of the wants?
5. If you have money left over, which wants might you buy?

When setting up a budget, *you must pay for the needs first*. Then you can buy what you want.

In the exercises, you will explore more about needs, wants and budgets.

Activity

1. Circle whether you think each of the following is a want or a need if you were creating a budget for home.

			
	a) iPhone or Internet	need	want
	b) backpack	need	want
	c) winter boots	need	want
	d) groceries	need	want
	e) headphones	need	want
	f) computer	need	want

2. Kwami completed a small budget showing his needs and wants in the table shown. He has $100 to spend.

Needs	Wants
1. Calculator for night school Cost: $9.50	1. New coat Cost: $65
2. Snacks for night school Cost: $65	2. New T-shirt Cost: $29
3. Paper to write on at night school Cost: $2.75	3. Haircut Cost: $35

a.. Do you agree with Kwami's needs? Explain.

b. How much do Kwami's needs cost? The wants cost?

c. Is $100 enough to pay for his needs? How do you know?

d. Kwami says "Hey, I have enough left over to buy the T-shirt I want." Do you agree with Kwami? Give 1-2 reasons for your answer.

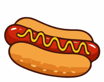
e**e.** Would it have been possible for Kwami to get a haircut after paying for the needs instead of buying a T-shirt? Why?

3. Kwami says “I can’t get a haircut right now. I will save my money for two months and not buy any of my other *wants*. I will have enough money then.” Do you agree with Kwami?
Give 1-2 reasons for your answer.

....

....

4. Suppose Kwami changed his mind about saving money and decided to go to a movie as one of the *wants*. Here are some costs of going to a movie.

				
	- admission	$14.75	need	want
	- drink	$5.50	need	want
	- popcorn	$5.75	need	want
	- hotdog	$5.50	need	want
	- chocolate bar	$3.25	need	want

a. Circle each word above as a need or a want when going to a movie.

b. What might Kwami be able to buy when going to the movie? Is this what you might buy?

c. If Kwami buys what you picked in part b, how much money does he have left? Which of his original wants might he be able to buy?

d. Would you select going to a movie as one of your “wants”? Why?

Lesson 2: Keeping Track of Money

What is this unit about?

In this lesson, you will:

- Learn an easy way to write down all the money you get and all the money you spend.
- See examples of a simple table that shows
    - the date
    - what happened
    - how much was paid out
    - how much was put in
    - the new total in the account
- You will practice filling in this kind of table so you can see your money change after each bill, purchase, or paycheque.

Objectives

You will be able to:

- Tell why it is important to keep a record of money coming in and going out.
- Read a simple money table that shows date, description, payment, deposit, and total.
- Fill in missing parts of a money table after a list of transactions (for example, rent, groceries, salary).
- Use adding and subtracting to update the total after each transaction, starting from the line above.
- Check if there is enough money in the account before a payment is made.

It is always a good idea to *keep track of how much money you earn and how much money you spend*. This can help you avoid trying to spend money you don't have.

To keep track, many people keep a record of all money that goes into an account and all money that gets spent like the one shown below.

The date the transaction happened	A brief description of the one transaction that occurred whether it is money being deposited or money being spent or withdrawn	All payments get subtracted from the total	All deposits get added to the total	A running total of how much money is in a bank account

Hint: A payment and a deposit will never be on the same line.

EXAMPLE 1

Malik had $1254 in a bank account on February 1.
The following transactions occurred.

- Rent of $875 on his shared apartment was paid on February 15
- Groceries for $168 were purchased on February 17.
- Minuk’s salary of $1475 was paid on February 28.

These transactions in a chart like the one shown above. You can create a table like this one for your own spending.

Date	Expense	Amount spent	Deposit	Total
February 1	Money in the account			$1254
February 15	Rent Paid	$875		$1254- $875= $379
February 17	groceries bought	$168		$379- $168= $211
February 28	Salary paid		$1475	$379+ $1475= $1686

Notice in the table

- There is only one calculation on each line.
- The new calculation is based on the total from the calculation immediately above it.
- On February 28, there is $1686 in the bank account. Money was saved that month ($1686 –$1254 or $432 was saved).

The transactions are recorded each day and are in order according to date.

Recording each day ensures you know how much money is in your account and you do not spend money needlessly on fines from the bank for being overdrawn.

EXAMPLE 2

On March 1, Malik has $1686 in his account.
The following transactions occurred in March:

1. Groceries of $238 were bought on March 20.
2. $50 was added to a Presto card on March 12 and again on March 27.
3. Rent of $875 was paid on March 15.
4. His salary of $1425 was paid on March 31.
5. Malik received an E-transfer of $75 on March 8.
6. He gave $50 to CAMH on March 22.

How much money does Malik have at the end of March?
Why is it important to record the transactions by date?

Solution

Transactions are recorded in order by date.
Recording by date ensures there is enough money in an account on a particular date to spend.

Date	Transaction Description	Payment	Deposit	Total
March 1	Money in the account			$1,686.00
March 8	E-transfer received		$75	$1,686 + $75 = **$1,761**
March 12	Presto	$50		$1,761 – $50 = **$1,711**
March 15	Rent paid	$875		$1,711 – $875 = **$836**

March 20	Groceries bought	$238		$836 – $238 = $598
March 22	CAMH donation	$50		$598 – $50 = $548
March 27	Presto	$50		$548 – $50 = $498
March 31	Salary paid		$1,425	$498 + $1,425 = $1,923

At the end of March, Malik has $1923.

Exercises

1. Manjeet had $1957 in a bank account on September 1.
The following transactions occurred.

- Rent of $1675 was paid on September 15.
- Groceries for $168 were purchased on September 10 and again on September 27.
- An evening at the movies cost $45 on September 19.
- Salary of $975 was paid on September 30.

a. Record these transactions in the table below.

Date	Transaction	Payment	Deposit	Total

b. Did Manjeet have enough money to cover all these expenses?

c. If Manjeet does not have enough money, what might you suggest Manjeet do to help him during September?

2 On July 1, Maria has $845 in a bank account.
The following transactions occurred in July:

- Groceries of $238 were bought on July 23.
- Rent of $725 was paid on July 1.
- Salary of $956 was paid on July 14 and again on July 28.
- A Presto card was purchased for $175 on July 25.
- Marie made an E-transfer bill payment of $175 on July 18.
- She gave $75 to the food bank on July 21.

a. Without recording any transactions, write whether Maria has enough money in the account to pay all the transactions.

b. Record these transactions in the table below:

Date	Transaction	Payment	Deposit	Total

c. How accurate was your prediction in part a)?

3 Naomi has $45 in a bank account on December 1.
The following transactions occurred.

- She received a salary of $842 on December 12 and again on December 26.
- She received an E-transfer of $225 on December 4.
- She paid $735 in rent on December 15.
- She received an E-transfer for tutoring a student on December 8 and December 18. Each E-transfer was $45.
- She bought groceries for $124 on December 10.
- She bought presents for family members for $185 on December 20.
- She gave $200 to the local hospital on December 27.
- Went for dinner and a movie for $125 on December 30.

a) Record these transactions in the table below:

Date	Transaction	Payment	Deposit	Total

b) Is there ever a time Naomi has no money in the account to make payments?

Lesson 3: Income and Paying Taxes

What is this unit about?

In this lesson, you will:

- Explore different ways that money can be earned or gotten to a family.
- You will explore how to use community or government supports to help with basic costs.

Objectives

You will be able to:

- Determine how money is brought into a family to pay for the monthly expenses.
- Explain why taxes need to be paid.
- Calculate how much income comes into a family after taxes have been paid.
- Describe how government benefits and community services (such as child benefits or food banks) can help when income does not cover all expenses.

Most people in Canada have an income that comes from somewhere. Some come through employment. A pay cheque can be earned through many kinds of work arrangements with an employer and using many different income systems.

Permanent Employees can earn in the following ways:

Hourly Wage

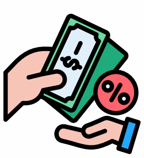
An amount paid for each hour worked (retail, trades, and restaurants are some examples).

Salary

A fixed annual or monthly amount earned regardless of number hours worked (office jobs, management).

Overtime Pay

Is often extra pay for additional hours worked. In Ontario, this is received for the number of hours worked over 44 in a week. (shift work in a warehouse on an an assembly line)



Commission

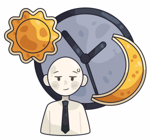
Money earned based on the employee’s sales performance and receiving a percentage of all sales made by the employee. (car or home sales)

Bonuses

Extra compensation received by an employee tied to their own performance or the overall company results.

Tips/Gratuities

An amount paid by a customer usually for good services rendered. (hotel and restaurant workers)



Shift Premium

Extra money earned for working less desirable shifts like working overnight, weekends, or doing particularly hazardous work. (overnight shift in a steel rendering plant)

Self-Employed

Self-employed individuals work for themselves and not directly for one employer. Some types of self-employment income include:

a. Freelance Work

Someone works for a company for a short time to complete a task and then gets paid once for that task (artists, game designers) when it has been completed.

b. Contract Work

An employee who is hired for a certain length of time to do a particular job for a company (someone covering a sick leave for a permanent employee)

c. Economy Work

Someone who does small jobs all day (Uber drivers, delivery drivers).

Ontario Works Program for Single Parents

Many people use social assistance temporarily, especially during periods of unemployment or crisis. One program in Ontario is the Ontario Works Programs for Single Parents. It is a program that gives temporary financial help to people who do not have enough money for basic living expenses.

Monthly support includes:

- Basic needs allowance (food, clothing, personal needs)
- Shelter allowance (rent, sometimes utilities)

The amount received varies based on:

- Household size
- Rent
- Income from work or other sources

Ontario Welfare recipients may also get help for childcare, health benefits (like prescription drugs), and dental. The approximate monthly payment for a single parent with one child in 2025 is shown in the table below.

Category	Approximate Monthly Amount
Basic Needs (food, clothing, personal)	about \$740–\$800
Shelter Allowance (rent)	about \$1,400–\$1,500 (depending on actual rent)
Total OW Support	about \$2,140–\$2,300

Paying Taxes

People pay taxes on the money they earn to help the government pay for things that everyone uses. A tax is a small part of your earnings that goes to help your community and country. The government uses tax money to pay for:

- schools
- roads
- parks
- hospitals
- firefighters
- and so on

One day, you are going to get a job. The job will pay you money! When you receive pay for working, deductions are made (like income tax) from our gross income.

Income tax is paid to the government before you get paid.

- The amount of money you earn before taxes is **gross income.**
- The amount of money you earn after taxes and other expenses are paid is **net income.**

EXAMPLE 1

Sanjay earned $1500 last month. He paid $250 in income taxes.

a. What is Sanjay's gross income for the month?
b. What is Sanjay's net income for the month?

Solution

a. Gross income is the amount of money Sanjay made before income taxes are paid. His gross income is $1500.

b. Net income is the amount of money Sanjay has after all taxes and expenses are paid.

$$\begin{aligned} \text{Net income} &= \$1500 - \$250 \\ &= \$1250 \end{aligned}$$

Sanjay's net income is $1250.

Sometimes, there are other calculations that need to be made when calculating net income or gross income.

EXAMPLE 2

Imani earns $19 per hour. Last month, she worked 125 hours.
She paid $590 in income taxes.

a. What is her gross income for the month?
b. What is her net income for the month?

Solution

a. First, Imani needs to calculate how much money she earned.

$$\begin{aligned}\text{Gross income} &= \$19 \times 125 \\ &= \$2375\end{aligned}$$

Imani's gross income is $2375.

b.
$$\begin{aligned}\text{Net income} &= \$2375 - \$590 \\ &= \$1785\end{aligned}$$

There may even be other deductions that are made that can change the net income.

EXAMPLE 3

Myra earns $17.50 per hour. Last month, she worked 146 hours. Before Myra received her money, she paid

- $360 in income tax
- $195 for a Canada Pension Plan
- $45 for Employment insurance

a. What is her gross income for the month?
b. What is her net income for the month?

Solution

a. First, Myra needs to calculate how much money she earned.

$$\begin{aligned}\text{Gross income} &= \$17.50 \times 146 \\ &= \$2555\end{aligned}$$

Myra's gross income is $2555.

Solution continued

b. Myra’s net income is gross income – deductions paid.

Net income = \$2555 – \$360 – \$195 – \$45
= \$1955

In the examples above, the amounts of taxes deducted were given. However, there are exact calculations that can be made to calculate how much income tax is removed from your pay before you receive your money.

EXAMPLE 4

Moira has a job sweeping a factory floor and earns \$22.75 per hour. Moira works 42 h per week and is paid every two weeks.

Calculate the exact amount Moira will receive after two weeks.

Solution

The table on the next page shows the percentage of money earned that goes to pay taxes.

Taxes are collected from an employee by an employer before the employer pays the employee.

Above Minimum Wage Job	
Moira Mississauga, Ontario Employee ID: 31256	Pay Period: Biweekly
HOURS **RATE** **TOTAL** Regular Pay: 84 h $22.75 $1911.00	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = 0.0158 × $1911.00 = $30.19 **Federal Tax** = 8.8% of total earned = 0.088 × $1911.00 = $168.17 **Canada Pension Plan** = 5.95% of total earned = 0.0595 × $1911 = $113.70 **Provincial Tax** = 5.5% of total earned = 0.055 × $1911.00 = $105.11
Total Deductions $30.19 + $168.17 + $113.70 + $105.11 = **$417.17**	**Net Pay** $1911.00 – $417.17 = **$1493.83**

Exercises

1. **Samir earned $1750 last month. He paid $350 in income taxes.**

a. What is Samir's gross income for the month?

b. What is Samir's net income for the month?

2. **Candace earned $372.45 last week and paid $68.52 in income taxes.**

a. What is Candace's gross income for the week?

b. What is Candace's net income for the week?

3. **Wendi and her 3-yer old son are Ontario Welfare (OW) recipients. Each month, they receive $2264.58 and pay no taxes on the amount.**

a. What is Wendi's gross income for the month?

b. What is Wendi's net income for the month?

DID YOU KNOW?

- No income tax is deducted from Ontario Works (OW) or Ontario Disability Support Program (ODSP) payments.
- These payments are non-taxable, meaning you do not pay income tax on them.
- You must report them on your tax return to receive benefits like the GST/HST credit.

4 Terry earns $18.50 per hour. Last month, Terry worked 125 hours and paid $342.50 in income taxes.

a. What is Terry's gross income for the month?

b. What is Terry's net income for the month?

5 Jacob earns $17.50 per hour. Last month, Jacob worked 146 hours.

The blank pay stub is shown below.
Complete the missing calculations.

HOURS **RATE** **TOTAL** Regular Pay: 125 h $18.50 $2312.50	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =

6 **Look at Jacob's pay stub from question 5.**

a. Find the total deductions.

b. Calculate the net income for Jacob.

7 Manjit earns a salary of $3895.75 each month.
Complete the pay stub form below to calculate Manjit's net income.

Above Minimum Wage Job	
Manjit Mississauga, Ontario Employee ID: 31240	Pay Period: Monthly
HOURS RATE TOTAL Regular Pay: Regular Salary $3895.75	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =
Total Deductions	**Net Pay**

8 **Jacquie earns a salary of $43,500 each year and is paid at the end of every two weeks**

a. There are 52 weeks in a year. Calculate Jacquie's net income for the two weeks.

b. Use the calculation in a) to complete the pay stub below and calculate Jacquie's net income for the two weeks.

Above Minimum Wage Job	
Name: Mississauga, Ontario Employee ID: 31240	Pay Period: Bi-weekly
HOURS RATE TOTAL Regular Pay: Regular Salary	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =
Total Deductions	**Net Pay**

Lesson 4: Comparing Income and Expenses

What is this unit about?

In this lesson, you will:

- Explore how to pay your expenses when income is less than expenses.
- Use your decision-making and problem-solving skills to analyze all expenses and discover ways to reduce them.

Objectives

You will be able to:

- Calculate the total expenses for one month based on a real-life scenario.
- se information that is given to reduce individual expenses for one month.
- Think about needs and wants and how your analysis can be used to reduce expenses.
- Realize that there is more than one way to solve a real-life problem.

Sometimes, income and expenses do not match and you will find yourself having to make some difficult decisions.

Some calculations may have to be done before decisions can be made.

Real-Life Scenario

Lisa is a working single mother in Toronto. Lisa has a 4-year old daughter, works 40 h per week, and earns minimum wage at $17.85 per hour. Last month, Lisa worked 176 h. Lisa takes the subway to and from work each day.

Her monthly expenses are shown below.

- rent on a one-bedroom apartment: $2400
- food: $400
- utilities: $75
- movies and entertainment: $80
- iPhone: $90
- clothing: $150 (growing child)
- Timmies morning coffee: $45
- after school day care: $400 per month
- Transportation (4 miles to work): $132

EXAMPLE 1

Does Lisa have enough money to pay all the expenses each month?

Solution

Step 1 Calculate Lisa's expenses

$2400 + $400 + $75 + $80 + $90 + $150 + $45 + $400 + $132
= $3772

Step 2 Calculate how much Lisa earned

176 × $17.85 = $3141.60

Based on these calculations, Lisa does not have enough money to pay the expenses this month.

This is a basic calculation that shows Lisa will not be able to pay the expenses this month. Lisa may actually be farther away than originally thought.

Everyone in Canada has to pay taxes on all income that they earn as seen in the previous lesson.

The chart below shows how much is deducted from the paycheque and how much is actually paid to Lisa.

<table>
<tr><th>Above Minimum Wage Job</th><th>Above Minimum Wage Job</th></tr>
<tr><td>Lisa
Toronto, Ontario
Employee ID: 415609</td><td>Pay Period: Monthly</td></tr>
<tr><td>HOURS RATE TOTAL

Regular Pay: 176 h $17.85 $3141.60</td><td>DEDUCTIONS

Employment Insurance
= 1.58% of total earned
= 0.0158 × $3141.60
= $49.64

Federal Tax
= 8.8% of total earned
= 0.088 × $3141.60
= $276.46

Canada Pension Plan
= 5.95% of total earned
= 0.0595 × $3141.60
= $186.93

Provincial Tax:
= 5.5% of total earned
= 0.055 × $3141.60
= $172.78</td></tr>
<tr><td>Total Deductions
$49.64 + $276.46 + $186.93 + $172.78
= $685.81</td><td>Net Pay
$3141.60 – $685.81
= $2455.79</td></tr>
</table>

Exercises

1. Layla receives $2289.38 from Ontario Works each month. Layla's rent is $2350 per month on a one-bedroom apartment in Toronto. Does Layla have enough money to pay her rent? Give reasons for your answer.

2. Yolanda earns $19.85 per hour at a full time job washing dishes in a restaurant. Yolanda works 44 h per week. Yolanda has rent of $2575 per month. Yolanda pays taxes of $574.38 each month. Does Yolanda have enough money to pay her rent? How do you know?

3. Ali pays $825 rent, $75 in utilities and $105 for an iPhone and internet as his share of the monthly household expenses. Ali works part-time and works 65 hours per month at $19.50.

a. Find Ali's total expenses each month.

b. Find Ali's net income each month.

c. Do you think Ali has enough money to cover expenses each month? Give reasons for your answer.

4 Ximena is a single mom in Ontario and received $2185 per month from Ontario Works. Ximena shares a two bedroom apartment with a roommate. The total rent on the two bedroom apartment is $2850 per month. Her expenses each month are shown below:

- rent on a two-bedroom apartment: $
- food: $320
- utilities: $65
- iPhone: $95
- clothing: $125 (growing child)

a. Find Ximena's total expenses each month.

b. Does Ximena have enough money each month to cover expenses?

5 Donna is a working single mother in Toronto sharing a house with three other people. Donna has a 7-year old son, works 42 h per week, and earns $18.65 per hour. Last month, Donna worked 6 days per week for 4 weeks. Donna takes the subway to and from work each day. Her monthly expenses are shown below.

- total household rent: $3800 (shared equally)
- food: $450
- utilities: $60
- internet and streaming service: $88
- Mobile Phone Plan: $58
- clothing: $175
- after school day care: $200 per month
- Transportation: $3.30 for each ride

Find Donna’s total expenses each month.

6 Look at Aisha’s income from the previous question. Aisha gets paid every two weeks. There are 52 weeks in a year.

a. Calculate Aisha’s net income for the two weeks.

b. Use the calculation in a) to complete the pay stub below and calculate Aisha’s net income for the two weeks.

Above Minimum Wage Job	
Name: Toronto, Ontario Employee ID: 9809	Pay Period: Bi-weekly
HOURS RATE TOTAL Regular Pay: Regular Salary	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =
Total Deductions	**Net Pay**

c. Does Aisha have enough money to cover the expenses for the month?

....

MORE About Ontario Works and Income

There are a number of rules that go along with most support programs offered either by the city, the provincial government or the federal government. Ontario Welfare is offered by the provincial government of Ontario.

You need to be familiar with these rules if you collect money from any government agency. Here are some of the rules from the Ontario Welfare program.

No Tax Owed

Social assistance payments are included in your total income when you complete your annual tax return. It can be deducted later in the tax return to ensure that you pay no taxes on the amount that you receive. If necessary, have someone complete your tax return for you who is familiar with the forms.

Why You Must File a Tax Return

Even though you will pay no taxes, you are still required by law to compete a tax return before May 1 each year.

You must report the amount that you have received so that the government can properly calculate benefits like:

- the Canada Child Beneft
- Ontario Trillium Benefit; or
- GST/HST credits

Income Reporting

If you live with a spouse or common-law partner, *the person with the higher net* income must report all social assistance payments.

Any Other Earned Income

While the assistance itself is tax-free, income earned from employment (which may be deducted from your payments) is taxable if it exceeds certain thresholds. Check into what these thresholds might be before earning any money outside of the Ontario Works program.

Lesson 5: Making Ends Meet

What is this unit about?

In this lesson, you will:

- Look at a small budget that includes both needs and wants and a limited amount of money.
- You will practice deciding which items must be paid for first, which wants can be bought now, and which ones may need to wait or be saved for.

Objectives

You will be able to:

- Read a simple budget that lists needs, wants, and their costs.
- Add up the total cost of needs and the total cost of wants.
- Decide if there is enough money to pay for all needs and some wants, and explain your reasons.
- Explain how saving money over time can help you pay for a want in the future instead of right away.

Sometimes, income and expenses do not match and you will find yourself having to make some difficult decisions. Some calculations may have to be done before decisions can be made.

Let’s explore Lisa’s scenario from the previous lesson. Remember the following:

- **How much does Lisa take home each month?**
  $3141.60 – $685.81 = $2455.79

- **How much more money does Lisa need?**
  $3772–$2455.79 = $1316.21

Exercises

Look back at Lisa’s scenario from the previous lesson.

Before beginning the rest of the lesson, brainstorm a list of what you think Lisa can do to help make ends meet.

You might consider identifying needs and wants, eliminating some wants, negotiations, or social programs.

Write three ideas below:

1. ....

2. ....

3. ....

Now, how might we help Lisa? There are a number of steps that can be completed to help Lisa this month.

EXAMPLE 1

Eliminate the "Wants" for the Month

a. Make a list of Lisa's expenses and identify the wants.

b. By eliminating Lisa's wants, how much does Lisa still need to cover the expenses?

Solution

a.

- rent on a one-bedroom apartment: $2400
- food: $400
- utilities: $75
- movies and entertainment: $80
- iPhone: $90
- clothing: $150 (growing child)
- Timmies morning coffee: $45
- after school day care: $400 per month
- Transportation (4 miles to work): $132

b. Lisa has eliminated $80 + $45 = $125 from the monthly expenses.

Lisa still needs $1316.21 – $125 = $**1191.21.**

EXAMPLE 2

Reduce After School Day Care Amount

Lisa finds the new $10 per day after school care program for her daughter. Lisa worked 22 days last month.

a. How much will she pay each month for day care?

b.With these savings, how much does Lisa still need to cover the expenses?

Solution

a. At $10 per day for day care, she will pay 22 × $10 or $220. She saves an additional $400 – $220 or $180.

b. Lisa still needs $1191.21 – $180 = $**1011.21.**

DID YOU KNOW

As of May 2026, Ontario is actively transitioning to a $10-a-day average fee for licensed child care, including

- After-school programs for children under six, through the Canada-Wide Early Learning and Child Care (CWELCC) program.

Government Programs to help

Lisa has a job so will not qualify for the Ontario Welfare Programs for Single Parents. However, that does not mean Lisa does not qualify for financial assistance from the government.

Lisa finds a program from the Child Family Services department that can help. Lisa selected the website shown below.

https://www.canada.ca/en/revenue-agency/services/child-family-benefits/child-family-benefits-calculator.html.

Lisa found that there is a tax-free amount that she can qualify for based on her annual income and the age of her child. The maximum monthly amounts Lisa can get are:

- $661.41 for a child under 6 and a maximum annual income of $37,487
- $562.33 for a child between 6 and 17 and a maximum annual income of $37,487.

EXAMPLE 3

Request Government Assistance

Lisa has a child of four years of age. This will give Lisa a tax-free amount of $661.41 each month to help with expenses. With this amount coming from the government, how much does Lisa still need to cover the expenses?

Solution
From example 2, Lisa still needs $1011.21.
Lisa now needs $1011.21 – $661.41 or $349.80.

Lisa realizes that she is getting closer to covering her expenses each month and is now encouraged to find other ways to save. The food bank is likely needed this month to help reduce the $400 monthly cost for groceries. Food banks offer about 7 days of emergency food per month.

EXAMPLE 4

Using a Food Bank

Food banks offer about 7-10 days of emergency food per month. This will represent approximately 25% of the month for Lisa. This will cut about 25% off the food expense for the month.

a. How much will Lisa save each month by using the Food Bank?
b. With these savings, how much does Lisa still need to cover the expenses?

Solution

a. Lisa spends about \$400 per month on groceries.

$$\begin{aligned} 25\% \text{ of } \$400 &= 0.25 \times \$400 \\ &= \$100 \end{aligned}$$

b. Lisa still needs \$349.80 – \$100 = \$249.80.

Food banks are a tremendous source of assistance for people experiencing food insecurity. More information is given about food banks and using food banks at the end of the lesson.

Lisa is getting closer to being able to pay the expenses this month. So, what else can Lisa do? Let's have some fun and do some *thrift shopping*. There are a number of places where Lisa can go thrift shopping. A few of them in Toronto are shown below.

- YSMs Double Take Thrift Store, 310 Gerrard Street East
- Wildfire Thrift Store, 67 Front Street East
- Second Journey Thrift, 606 Gerrard Street East
- Black Market Vintage, 347 Queen Street West (upstairs)

EXAMPLE 5

Having Fun Thrifting

Research shows that a 65% savings on quality clothing can be found by thrifting. Lisa decides to try thrifting for her daughter's clothing this month.

a. How much will Lisa save each month by thrifting?
b.With these savings, how much does Lisa still need to cover the expenses?

Solution

a. Lisa spends about $150 per month on clothing.

$$\begin{aligned} 65\% \text{ of } \$150 &= 0.65 \times \$150 \\ &= \$97.50 \end{aligned}$$

b. Lisa still needs $249.80 − $97.50 = $**152.30**.

Lisa is pretty much there now. One last thought that Lisa might try is Rent Banks. This is usually done after all other options have been exhausted.

https://www.toronto.ca/community-people/employment-social-support/housing-support/financial-support-for-renters/toronto-rent-bank/

Apply through an agency like Housing Help Centre or Neighbourhood Information Post [NIP] by completing an online form and connecting with a worker, who helps assess eligibility.

- Up to $4000 per year
- Not for people receiving social assistance
- Sometimes helps with first and last month's rent up to $5000

More About Foodbanks

To find your local food bank, use search engines or community resources to find pantries near you (e.g., Food Banks Canada or local city sites). Here are some helpful hints on using a food bank.

Check Their Rules

Each food bank has different rules. Some might ask:

- Proof of Address/ID: For regular visits or specific programs
- Income Information: To assess need, especially for ongoing support
- Appointments: Some locations require booking ahead

Go in Person (or Call) Visit during operating hours or call to understand their specific process, especially if you don't have ID/phone.

Be Prepared to Show Need

- Inadequate income, especially with high housing costs is a primary reason for food insecurity
- Proof of low income (like OW statements). If you're on Ontario Works, you're likely eligible for food bank help. You can also contact your local Ontario Works office for emergency financial assistance if you have no food; or
- Simply explain your situation. Eligibility isn't a strict income test but a demonstration of need for food

The goal for every food bank is getting food to hungry people so documentation helps ensure resources go where most needed.

Exercises

1. Musa is a working single father sharing a house with one other person. They share the rent equally. Musa has a 14-year old son, works 38 h per week as a line cook, and earns $19.65 per hour. Last month, Musa worked 5 days per week for 4 weeks. Musa takes the street car to and from work each day. He works only 1 mile from home. His monthly expenses are:

- total household rent: $3475
- food: $650
- utilities: $540 (shared equally)
- internet and streaming service: $88 (shared equally)
- Mobile Phone Plan: $78
- clothing: $175
- home insurance: $77
- school supplies: $35
- Transportation: $3.30 for each ride

a. Use the table below to calculate Musa's net income for the month.

Job Title	
Name: Toronto, Ontario Employee ID if applicable	Pay Period: Monthly
HOURS RATE TOTAL Regular Pay:	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =
Total Deductions	**Net Pay**

b. List the expenses for the month. Use these headings to help you. Describe each expense as a need or a want. Give reasons for each choice in the chart.

Expense Name	**Monthly Amount**	**Need or Want**	**Reason**

c. Decide whether the monthly income covers your expenses. Show why you have made the decision you did.

d. Write a plan to help Musa take the next steps if the income does not cover the expenses during the month. Use all the information about income, taxes, and government support to help you write a detailed plan and give reasons for each step.

Your Turn

Time to look at your own financial situation privately. Do not share this information with anyone.

a. Write your monthly gross income.

b. Use the table below to calculate your net income for the month. If you collect OW payments, just use that amount.

Job Title:	
Name: Toronto, Ontario Employee ID if applicable	Pay Period: Monthly
HOURS RATE TOTAL Regular Pay:	**DEDUCTIONS** **Employment Insurance** = 1.58% of total earned = = **Federal Tax** = 8.8% of total earned = = **Canada Pension Plan** = 5.95% of total earned = = **Provincial Tax** = 5.5% of total earned = =
Total Deductions	**Net Pay**

c. Realize that there is more than one way to solve a real-life problem.
List your expenses for the month. Use these headings to help you and add rows to the chart if needed. Write each expense you have.
Describe each expense as a need or a want.
Give reasons for each choice in the chart.

Expense Name	Monthly Amount	Need or Want	Reason

d. Decide whether your monthly income covers your expenses.
Show why you have made the decision you did.

e.. Write a plan to help you take the next steps if your income does not cover your expenses during the month. Use all the information about income, taxes, and government support to help you write a detailed plan and give reasons why you will take each step. ***Keep the plan with you and refer to it periodically*.**