

Financial literacy activity book

For newcomers
to Australia



Commonwealth
Bank

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Introduction

This Activity Book is the core of this Financial Literacy package and contains four sections that cover the following concepts; Cost of Living, Spend Tracking and Budgeting, Saving, and Paying Bills.

Each section is designed to be 30 minutes in length to allow for adequate time to introduce the concept, but not so much that it takes away from time spent addressing other important aspects of settlement.

Once the face-to-face component of each section is complete, the user is then encouraged to complete the related activities with their family and community. Each meeting with the case manager is intended to be a week apart to ensure enough time to complete the self-driven aspects and reflect on the lessons before progressing to the next section.

The components of each section within this Activity Book are outlined below:

- A summary of the section and the intended outcome.
- Estimated time and materials required.
- Instructions for both the face-to-face and self-driven requirements.
- Copies of the related worksheets.

The information contained in this pack is prepared without considering individual objectives, financial situation or needs. Individuals should consider the appropriateness to their circumstances.



Section one:

Cost of living



Summary

To understand the concept of shopping around and get a sense of the cost of living in Australia.



Time estimate

30 minutes total + time to visit local grocers (if applicable).



Materials checklist

- A computer/tablet with internet access.
 - Website addresses for local supermarkets.
 - 'Numbeo', a cost of living comparison website: www.numbeo.com
 - 'Cost of Living' worksheet.
-

Instructions

At a computer with an internet connection go to www.numbeo.com. Numbeo collates user-generated estimates of the cost of living in regions and cities across the world. Ensure the website is converting costs into Australian Dollars – rather than US Dollars.

You can also use Numbeo to compare the cost of living between cities, for instance your previous city and the city you currently reside in.

Refer to the 'Cost of Living' worksheet. It contains a list of common groceries with four columns beside them.

- The first column is for you to note the average price for these groceries according to Numbeo for your city/region/state.
- The next two columns are for supermarkets or grocers closest to your home that have online shopping platforms. Open up a separate web page for each supermarket. With one supermarket for each of the second and third column, fill out the costs of the listed groceries, noting the prices by volume not total cost. If you find multiple prices for the same item, select the one you are most likely to buy.
- Use the empty spaces to select and compare other groceries that you would typically buy.

Reflect on the total cost of the groceries:

- How does the cost of your groceries compare to the average. Is there a large difference?
- How did the costs compare between supermarkets? Are they relatively similar?

*Optional

Visit your local grocer or other supermarket and find the grocery items listed. Note down the price and the weight or volume of each item, and when you get home calculate the unit price. Is there a difference? If so, why do you think this is? Now that you've compared the costs, how can you take advantage of the difference in prices?

Cost of living worksheet

	Average (e.g. Sydney)	Supermarket One (e.g. Coles)	Supermarket Two (e.g. Woolworths)	Local grocery store	Lowest price location
 Milk	/L	/L	/L	/L	
 Eggs	/100g	/100g	/100g	/100g	
 Bread	/100g	/100g	/100g	/100g	
 Rice	/kg	/kg	/kg	/kg	
 Apples	/kg	/kg	/kg	/kg	

Recap: Cost of living

Understanding the cost of living in Australia and being able to manage spending is an important part of establishing financial independence.



Key lessons checklist

- There are significant differences in the cost of living in Australia and most foreign cities, understanding these differences helps to avoid unrealistic price and spending comparisons.

- It is important to develop awareness of the different options available to all consumers; taking time to research the costs of everyday items can save both time and money.

- Information on the cost of frequent expenditure, like groceries, can be found easily on the internet, in brochures, or by exploring your local shopping area.

- By shopping at a range of grocers/supermarkets to select the best prices you can take advantage of a wider range of specials.

Additional questions

- Can you make a significant saving by shopping at one supermarket?
- Is it better to shop at two or more places?
- Which items were closest in price to the averages found in your research?
- How can you use this information to get more value from your grocery shopping?

Useful links

- Numbeo
A cost of living comparison website:

<http://www.numbeo.com>
- Recipe Finder (Foodwise)
A useful site for searching recipes by ingredients to reduce food waste:

<http://www.foodwise.com.au/recipe-room/our-recipe-finder/>



Section two: Spend tracking and budgeting



Summary

This activity asks you to track your spending over one week with your entire household to reflect on spending habits and use this as a basis for creating a budget.



Time estimate

30 minutes total + 1-2 weeks of tracking spending



Materials checklist

- 'Spend Tracking' worksheet.
 - 'Creating a Budget' worksheet.
-

Instructions

Find the 'Spend Tracking' worksheet. Over the next one or two weeks, track all of the money you and your household spends. Start with any money you might have spent today by writing down the costs under today's column.

When you go back home, show this worksheet to your household members and ask that at the end of every day everyone discusses and records what they have spent money on that day. It will help to keep receipts for the week.

If there are children in the household they should be encouraged to help add up the daily numbers, check receipts and hear how much daily expenses cost, even if they don't spend money themselves.

At the end of the week add up how much your household has spent.

Discuss with your family:

- Was your spending what you expected?
- Are you satisfied with your spending, or is there room to find more savings?
- Which categories were most surprising in terms of how much you spent?

Reflect and discuss with your case manager how you might find extra savings. Remember that saving five dollars every week will add up to \$260 in a year, so every dollar counts. Consider agreeing to use the savings on something your household can do together or will share, like eating out together for a meal.

For some tips visit:

<https://moneysmart.gov.au/saving/simple-ways-to-save-money>

Now that you know how much you actually spend, use the 'Creating a Budget' worksheet to set a budget for the next three weeks by allocating a limited amount to spend for each category. Discuss the budget with your family, so they know what the limits are and agree that they're realistic. Challenge them to stick with it and check in with them at the end of each day. If your income is paid fortnightly, divide the total amount by two to get a weekly income for the 'Creating a Budget' worksheet.

Spend tracking worksheet

Week one

Category	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
 Housing								
 Groceries								
 Transport								
 Utilities								
 Snacks								
 Clothing								
 Internet								
 Mobile								
Total								

Week two

Category	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
 Housing								
 Groceries								
 Transport								
 Utilities								
 Snacks								
 Clothing								
 Internet								
 Mobile								
Total								

Spend tracking worksheet

Week three

Category	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
 Housing								
 Groceries								
 Transport								
 Utilities								
 Snacks								
 Clothing								
 Internet								
 Mobile								
Total								

Week four

Category	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
 Housing								
 Groceries								
 Transport								
 Utilities								
 Snacks								
 Clothing								
 Internet								
 Mobile								
Total								

Creating a budget worksheet

Week one income

Expenses	Amount (\$)	Need or want?
 Rent		
 Groceries		
 Transport		
 Utilities		
 Snacks		
 Clothing		
 Internet		
 Mobile Phone		

Weekly total

Savings (income - weekly Total)

Week two income

Expenses	Amount (\$)	Need or want?
 Rent		
 Groceries		
 Transport		
 Utilities		
 Snacks		
 Clothing		
 Internet		
 Mobile Phone		

Weekly total

Savings (income - weekly Total)

Week three income

Expenses	Amount (\$)	Need or want?
 Rent		
 Groceries		
 Transport		
 Utilities		
 Snacks		
 Clothing		
 Internet		
 Mobile Phone		

Weekly total

Savings (income - weekly Total)

Recap: Spend tracking and budgeting

Once you have an understanding of the cost of living, the next step is to keep track of spending and apply that information to form a budget.



Key learnings checklist

- Keep receipts of each expense to assist with recording and calculations at the end of each day.

- Categorising spending over seven days will give an overview of how much money is being spent on which grouping of items on a weekly basis.

- Identifying which expenses are 'needs' and which are 'wants' helps with understanding where to reduce costs in order to spend less money than money coming in.

- Reflecting on the previous week's budget and making adjustments as required will help you to develop a more accurate reflection of spending and enable more consistent savings.

Additional questions

- How do you think you went?
- Could you have found any savings?
- Are you comfortable with the amount you are spending?

Useful link

- For more tips on how to track your spending visit:

<https://moneysmart.gov.au/budgeting/track-your-spending>



Section Three: Saving



Summary

This activity helps to identify a savings goal and calculate how much you will need to regularly contribute to achieve it.



Time estimate

30 - 40 minutes



Materials checklist

- 'Savings Goal' worksheet.
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Instructions

Refer to the 'Savings Goal' worksheet. Think about something you would like to save for. It should be something attainable in the short-to-mid-term (e.g. for a new couch rather than a house). It can be something that you share with your family or household if everyone is contributing to maintaining the budget. If you don't have an item in mind, think of a reasonable amount of money you would like to have saved up in case of an emergency.

It's important to reach your first savings goal rather than to have an ambitious goal, because this will get you into the practice of saving.

Write down this goal in the 'Name It' section and the exact amount it costs in the 'Price It' section of the 'Savings Goal' worksheet. Browse the internet to find an exact cost if you don't know.

Think of a realistic date to achieve this goal by and calculate the number of payment cycles between now and that date. It should be anywhere from a few weeks to six months, otherwise change your goal to something smaller. Record the number of payment cycles in the 'Time It' section of the 'Savings Goal' worksheet.

Take the cost of the goal and divide it by the number of payment cycles between today and the nominated date. This is the amount that must be saved each payment cycle to get to that goal.

Check if this amount can be accommodated by your budget from the previous activity. If not, you must change the date, change your goal, or change your budget. Discuss each of these ideas with your case manager to find what the most realistic solution is.

Once you have settled on an amount to be saved, round this up to the nearest dollar and put in an account that is separate to your everyday transaction account. Use the 'Track It' section of the worksheet to record the progress you make towards your savings goal.

If you do not have a dedicated savings account (i.e. one with no card attached to it, often at a higher interest rate, with no fees) contact your bank or log in to your online account to see what options are available and take steps to open one. Transfer your savings into this account, every single time you receive a payment. You may want to set up an automatic transfer instead.

Keep a reminder of your goal somewhere you can often reflect on it. You might keep an image of your goal in your wallet or stick your worksheet on the fridge. This will remind you that there is a purpose to your savings.

Recap: Saving

The purpose of tracking spending and then creating a budget is to create a weekly saving amount. To help with motivation and ensure the savings are spent sensibly, it is helpful to have a goal.



Key learnings checklist

- The outcome of setting realistic and attainable goals is the satisfaction of the reward as well as the forming of positive saving habits.

- Writing down a saving goal provides visual motivation and helps to calculate the time and cost involved in reaching it.

- By identifying a total cost, setting an end date and breaking down a goal into payment cycles and smaller time frames it becomes easier to manage and track accurately.

- Transfer the savings at the end of each week into a savings account to avoid spending the money on something other than the goal.

Additional questions

- Are you clear about the length of time this saving goal should be achieved by?
- Have you set up a savings account to keep the savings secure until the goal is achieved?
- Has the saving goal been divided accurately into achievable amounts of time and money?

Useful link

- Savings Goal Calculator (Money Smart)
Helps you calculate how long it will take to reach your savings goal:

<https://moneysmart.gov.au/saving/savings-goals-calculator>



Section Four: Paying Bills



Summary

This activity aims to raise awareness of your bills and how to not only plan for them, but how to pay them on time as well.



Time estimate

30 - 40 minutes



Materials checklist

- 'Bill Payment' handout.
 - 'Calculating Bills' worksheet.
-

Pre-work

Collect all of your bills and contracts in one place. If they are online save them all in one place. Determine exactly how many different services you are billed for, don't miss anything out. Common bills are: rent, electricity/gas, internet, phone, any subscription services.

Instructions

Use the 'Calculating Bills' worksheet. The worksheet is split up into different frequencies we might pay certain bills. Using the bills you have collected, as well as research done into possible future costs, write down each of the bill types in the corresponding frequency. For example: if electricity is \$120 and paid every three months, enter it in the 'quarterly' section provided.

Alternatively you can use an online budget calculator, like the MoneySmart budget planner to do the calculations for you. <https://moneysmart.gov.au/budgeting/budget-planner>

The table should be completed to ensure every bill is entered into the correct frequency. It includes an amount (rounded up to the nearest dollar) and is then calculated to give a total using the formulae provided. This is your yearly amount per bill.

Once all bills have been accounted for, total the yearly amounts and divide by the number of pay cycles in a year. Formulas are available on the 'Calculating Bills' worksheet.

The total amount of all bills after the calculations have been applied should be incorporated into the budget created in the previous activity. As with the separate savings account and automatic payments into it, the same can be set up for bills if desired.

Use the 'Bill Payment' handout to discuss and determine with your case manager the best method to pay each of your bills if you are currently unsure. Consider which methods will be easiest for you and whether or not some methods cost more than others.

Note the payment method down in the legend and ensure you keep this handout somewhere noticeable in your home. Use the calendar of your phone, or an online e-mail attached calendar to send reminders for any un-automated bills at least two days before they are due. This will help you avoid being charged with late payment fees.

Calculating bills worksheet

Frequency of bills	Bill	Amount (\$)	Calculations	Total (\$)
Weekly Calculations: (Amount x 52) ÷ Number of pay cycles = Total				
Monthly Calculations: (Amount x 12) ÷ Number of pay cycles = Total				
Quarterly Calculations: (Amount x 4) ÷ Number of pay cycles = Total				
Yearly Calculations: Amount ÷ Number of pay cycles = Total				

Total

Bill Payment handout

The following table outlines the pros and cons of different bill payment methods. To determine the most suitable method/s, discuss together which kind of access is readily available, i.e. phone, internet, a local post office etc.

Payment method	Pros	Cons	How to use
 <p>Direct debit</p> <p>This option automatically withdraws the amount of your bill from your bank account. It must be set up with your service provider, not your bank.</p>	<ul style="list-style-type: none"> • Only needs to be set-up once. • Automatic and no need to remember the date a bill is due. • Some providers will offer discounts for using this option. • No fees. 	<ul style="list-style-type: none"> • If you don't have enough money in your account when the bill is to be paid you can be charged a fee or your bill won't be paid on time. 	<ul style="list-style-type: none"> • Call your service provider, or if you have an online account with them, log in online. • Provide your bank account details, including BSB, account number and account name. • Your owed amount will be deducted on the due date.
 <p>In person</p>	<ul style="list-style-type: none"> • You can use cash/EFTPOS/credit card or cheque to pay your bills. 	<ul style="list-style-type: none"> • You must make time to go to a post office during opening hours. • Some providers could charge a fee for paying in-person. 	<ul style="list-style-type: none"> • Take your bill and payment/payment method to a post office.
 <p>Over the phone</p>	<ul style="list-style-type: none"> • You can call to pay from anywhere. 	<ul style="list-style-type: none"> • You may have to wait. • You may need a credit card to pay, which will result in a fee. 	<ul style="list-style-type: none"> • Call the phone number listed on the back of your bill. You should have your bill with you.
 <p>Bpay</p> <p>An online and phone service that is accessed through your bank to pay your service provider directly from your account.</p>	<ul style="list-style-type: none"> • Easy transaction process that can be done at any time of the day. • Uses the money in your nominated account. • You can pay from your bank account online or over the phone. • Offered by most services. 	<ul style="list-style-type: none"> • You may pay fees depending on your provider or if you pay with a credit card. • If you make a mistake, there is a high fee to recover funds and the recovery may not be successful. 	<ul style="list-style-type: none"> • Find your Biller Code and reference number on your bill. • Log in to your banking system or call your phone banking service. • Select the bill payment or BPAY option and follow the prompts.
 <p>Centrepay</p> <p>Centrelink will deduct money from your regular payments so you can pay your bills</p>	<ul style="list-style-type: none"> • Will reduce your regular payments. • A reliable way to save for your bills. • You can control your deductions by setting a target amount, pausing deductions and choosing the order your bills are paid. • Free. 	<ul style="list-style-type: none"> • Not all providers will accept Centrepay. 	<ul style="list-style-type: none"> • Visit: https://www.servicesaustralia.gov.au/centrepay

Recap: paying bills

Once more permanent housing is established it is important to understand how to keep on top of bills. Planning and being prepared for bills is an important part of ensuring ongoing positive financial well-being.



Key learnings checklist

- Over time, collecting bills and contracts will help you make more accurate calculations and planning for future bills or costs.

- Using a calendar and highlighting when bills and contracts are due acts as a guide and reminder of when and how much money to put away in preparation for them.

- Understanding the different ways in which bills can be paid can reduce the stress of paying them, and help ensure none are overlooked and overdue costs incurred.

- Enquire with the bank and Centrelink as to what services they provide that can assist with paying of these expenses on time.

- Setting alarms and reminders may also help you remember to check on these important payments.

Additional question

- Have you read through the 'Bills Payment' handout provided?

Useful link

- Simple ways to save money (Money Smart)
A list of tips to help you save more money:

<https://moneysmart.gov.au/saving/simple-ways-to-save-money>



Additional reading

Scams



Summary

A scam is an offer or scheme designed to trick you into giving away your money or personal details or information. Many people think that scams only target certain groups, such as old people or people who do not speak English well. However, anybody can be the victim of a scam.

This section is additional reading and to be used as a reference point for discussions around the issues of scamming.

Types of scams

1. Unexpected Money and winnings

Scammers invent convincing and seemingly legitimate reasons to give you false hope about offers of money. They pretend to be the government or a company that you know or trust. They can tell you that you have been specially selected to win money or prize. There are no get-rich-quick schemes, so always think twice before handing over your details or dollars.

2. Banking and personal information scams

Scammers use all kinds of sneaky approaches to steal your personal details. Once obtained, they can use your identity to commit fraudulent activities such as using your credit card or opening a bank account.

Scammers may often send you a letter or email, pretending to be from your bank, credit union or a government department, such as the Australian Taxation Office or Centrelink. The letter or email may offer you a tax return or increased Centrelink payments and asks you to send your credit card number, account number, online banking password or personal information.

- Never give your credit card, bank account or other financial details by email.
- Be careful of doing online banking in a library, internet café or other public area. Your personal details may be at risk.
- Banks and other legitimate companies will never ask for your financial details via email
- Government departments will never ask for your financial details via email.

If you've sent money or shared your banking details with a scammer, contact your financial institution immediately. They may be able to stop a transaction, or close your account if the scammer has your account details. Your credit card provider may be able to perform a 'charge back' (reverse the transaction) if your credit card was billed fraudulently.

1. Dating and Romance

Scammers take advantage of people looking for romantic partners, often via dating websites, apps or social media by pretending to be prospective companions. They play on emotional triggers to get you to provide money, gifts or personal details.

2. Jobs and Investment

If you are looking for a fast way to make money, watch out – scammers have invented all sorts of fake money-making opportunities to prey on your enthusiasm and get hold of your cash. You may receive a phone call or email offering an investment opportunity or other type of financial scheme at an extremely high interest or return rate, or be offered early access to your superannuation, or gambling software that claims to pick winners of sporting events or stock market movements.

These scams may cause you to lose a lot of money and put you in debt.

Useful resources/tips

- iDcare – Is a free government funded service which works with you to develop a specific response plan to your situation:

<https://www.idcare.org/>

- Government support – Apply for a Commonwealth Victim Certificate that helps support your claim that you've been the victim of identity crime, and can be used to help re-establish your credentials with government or financial institutions:

<https://www.ag.gov.au/RightsAndProtections/IdentitySecurity/Pages/VictimsofCommonwealthidentitycrime.aspx>

- Police – Report a fraud by contacting local police on 131 444.
- Password – If you think one of your online accounts (e.g. your bank account, email, online shopping account or social networking site) has been compromised, you should change your password immediately. Most reputable websites provide step-by-step instructions for how you can recover a hacked account.
- Security Software – If you think your computer or device has been hacked or infected with malware or ransomware, use your security software to run a virus check if you think your computer has been compromised.