



Fete

Financial Education
To Empower

Celebrate when you achieve your goals!

PRIMARY & SECONDARY STUDENTS Workbook

Featured Inside:

- ☒ FIND OUT YOUR MONEY HABITS
- ☒ HOW TO AFFORD THE THINGS YOU NEED
- ☒ MAKE SOME EXTRA \$\$\$ (SAVING AS A STUDENT)
- ☒ BIG MAN TING (ACHIEVING SOME MAJOR LIFE GOALS)



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HI GUYS!

Welcome to the first step on the way to Financial Well-being. This is a great opportunity for you to begin planning for your financial future. The adults in your life didn't have guides like this one back when they were in school. Aren't you the lucky one? Once you master the lessons here, you'll get a head start on being in charge of your money and your life.

First things first. Let's set our goals for the training. Once this VM FETE Training programme is completed, you should:

- 1 understand **key financial principles** such as saving, investing, and managing debt,
- 2 be able to create a **Personal Financial Plan**, and
- 3 Understand the basic principles of **Budgeting, Home Ownership, Investment** and **Retirement Planning**.

Congrats on taking this powerful step towards Financial Well-being. Are you ready to begin? Flip the page and let's get started.



MEET KEVIN

HEY GUYS. MY NAME IS KEVIN. I LIVE WITH MY MOM AND TWO SISTERS.



MY MOM ONLY WORKS PART-TIME, SO I HELP OUT WITH THE BILLS.



LAST SUMMER, I WORKED AT MY UNCLE'S GARAGE ON THE WEEKENDS, AND I HAD A FULL-TIME SUMMER JOB.



MY UNCLE GAVE ME AN OLD CAR, SO I DON'T HAVE TO WORRY ABOUT CAR PAYMENTS.



RIGHT NOW, I WORK AT THE GARAGE FOUR EVENINGS A WEEK. IT'S HARD TO COVER ALL MY EXPENSES AND SAVE FOR COLLEGE, WHICH I'M GOING TO START IN 2 YEARS.

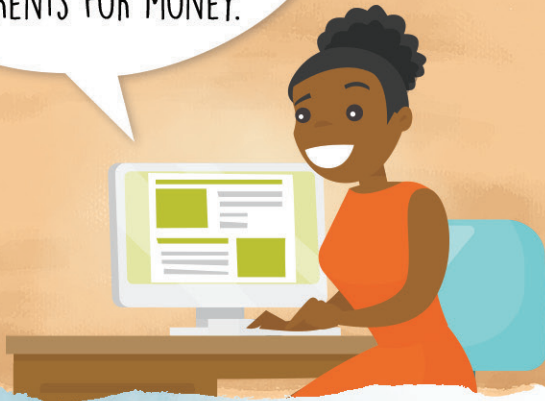


MEET SAMANTHA

HI! I'M KEVIN'S CLASSMATE SAMANTHA. I LIVE WITH MY PARENTS AND MY OLDER BROTHER, WHO IS IN UNIVERSITY.



I HAD A SUMMER JOB LAST YEAR, BUT MOSTLY I DEPEND ON MY PARENTS FOR MONEY.



I LOVE SHOPPING AND GOING OUT TO EAT.



I GET A WEEKLY ALLOWANCE AND MOMMY AND DADDY PAY FOR THE THINGS THAT I NEED.



KEVIN AND SAMANTHA WILL JOIN US AS WE TALK ABOUT HOW TO MAKE WISE FINANCIAL DECISIONS TO SECURE YOUR FUTURE.

The background of the page is a light blue textured surface. Stylized white clouds with blue outlines and swirls are scattered around the text, particularly on the left and right sides.

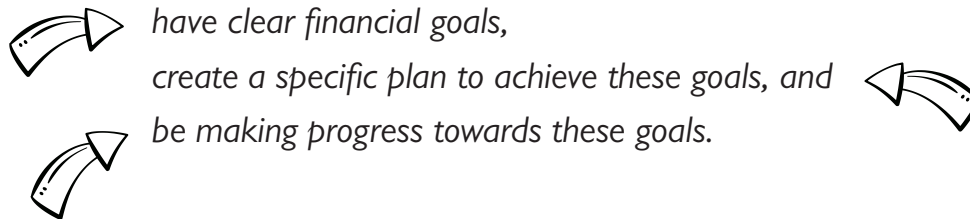
The **BIG** *picture*

FINANCIAL WELL-BEING

Do you know what it means to be **'Financially Literate'**? Does the term **'Financial Well-Being'** sound familiar? Let's see what they mean.

Well Financial Literacy is knowing how money works. This helps us make better decisions in our everyday lives. Someone who is financially literate will know, for example, how a savings account works, how to manage a credit card properly, how to avoid debt and how to achieve their life goals.

To be financially well means being able to properly manage your money. In order to achieve Financial Well-being, you should:



THE VICTORIA MUTUAL APPROACH TO ACHIEVING FINANCIAL WELL-BEING

At Victoria Mutual, we have a unique, 3-step process to get our Members and clients from where they are currently, to achieving Financial Well-being.

STEP 1: Assess your situation and document your goals

STEP 2: Create specific plans for achieving these goals

STEP 3: Track your desired milestones to achieving these goals

We'll explore these steps in a bit.

HOW?

Di Ting

SET



ASSESSING YOUR FINANCIAL POSITION

Let's say your BFF is turning 16 and you are going to throw her a party. Would you just throw it all together at the last minute? Hopefully not! You would think about the goal, which is to throw a great birthday party, and then figure out everything you need to do to make it happen.

You should treat money in the same way. If you set clear goals, create plans to achieve those goals, and stick to the plans, you will achieve your goals and feel pretty good doing it.

Before you begin working on a financial goal, you need to understand where you are. How do you do this? You **assess your situation** and **set clear goals**. As you start working on the goals, you track your progress.

THE FINANCIAL LIFECYCLE

Life is a cycle, a series of events. At every stage in life, our wants and our needs change. When it comes to finances, we all fall somewhere in what is called the **Financial Lifecycle**.

Where are you in your financial life cycle?

LIFE STAGE

WANTS

NEEDS



Early Childhood



Secondary Education



Tertiary Education



Career Development



Raising a Family



Pre-retirement



Retirement

WELL DONE!

We'll return to your #currentsituation when we develop your Personal Goal Plan later in the workbook.
For now, let's move to the next section.

Be sure to ask your Financial Advisor/Ambassador anything you are unclear about.

HOW FI SPEN' YUH MONEY TYPES OF SPENDING

Did you know that there are different types of spending? Understanding how people spend money will help you with budgeting and building your own wealth.

GOODS VS. SERVICES

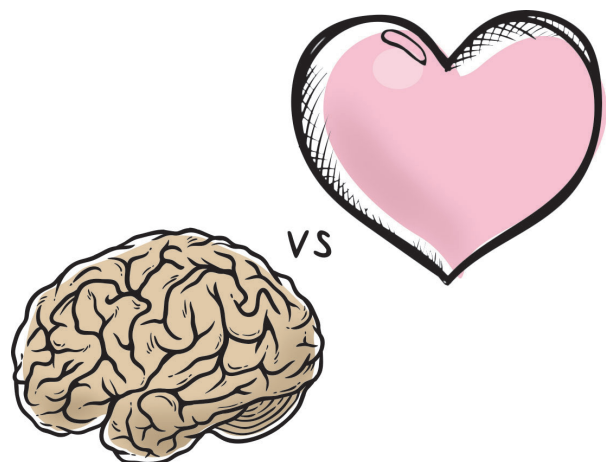
Some things we spend money on are physical, called **goods**. We also spend money in return for someone's efforts, or their **services**. Take a smartphone for example. The phone itself is a good, while the phone company provides a service for you to use the phone to make calls and surf the net. Can you think of any other examples of goods and services that you or your family use?

DO YOU REALLY NEED IT? NEEDS VS WANTS

Have you ever felt a bit down and needed to buy a new pair of shoes or splurge on something that will make you feel better? Most consumer purchases are made because of emotion and are usually **wants**. These are things we can do without, like designer brands. Other types of purchases are necessary, called **needs**. These are the things we cannot survive without, such as food, or a house to live in. What are some of your wants and needs?

Remember that needs and wants will be different for each family. For example, larger families may need bigger houses and cars.

It's important to identify if something is a 'need', or a 'want', in order to manage how much you spend.



NEED

Can't survive without it

- Food
- Clothes
- Shelter/House

WANT

Will make life more comfortable but don't need it to survive

- Ice Cream
- Designer brand
- A smart house on the beach

YOLO VS FOR THE LONG HAUL

(SHORT-TERM VS. LONG-TERM GOALS)

Goals have different timelines or time horizons. These timelines depend on different things, like where you are in the financial lifecycle. The things you want to purchase now as a teenager will be different from the things you want to purchase as an adult. Regardless of when you want to achieve a goal, it's important that you save towards it.

GOAL TYPE

DURATION

Short-term

1 year

Medium-term

5 years

Long-term

10 years

You'll see more about the types of spending as you continue this training.

YOUR MONEY HABITS

Your financial habits can either help you race to success or keep you at the bottom of the ladder. Since habits are automatic, it's important that you practice good ones that will help you in the long run.



Successful people are simply those with success habits

Author Brian Tracy

So you know where you are in the **Financial Lifecycle**. Let's take a more detailed look at your **Financial Profile** and the money habits you have. Go ahead and answer the questions below. Hint - There are no wrong or right answers, so just answer honestly.

1. What is/are my source(s) of income? (Examples may be your allowance, lunch money or money you earn from doing chores).

2. How do I view money? (See Appendix for "How do you make financial decisions?")

3. What do you spend money on?

4. I save money:

- ☐ Every week
- ☐ Every month
- ☐ Rarely
- ☐ Never

5. I have a budget and I stick to it

- ☐ True
- ☐ False

6. I have a clear idea of my future financial goals (college, travel, car etc.)

- ☐ Yes
- ☐ No
- ☐ Haven't really thought about it

7. How would you describe your current knowledge of finances (how money works, financial terms etc.)?

Well done! Let's look at some of Kevin and Samantha's money habits. Neither of them uses a plan to manage money, but they want to change that. Like you, they have written down what they see as their own good and bad money habits.



KEVIN'S MONEY HABITS

Unwise

I buy fast food
after school
every day

I buy new video
games each
time I get paid

Wise

I pay my bills on
time

I stay up to
date with my
account activity



SAMANTHA'S MONEY HABITS

Unwise

I buy smoothies
after school
every day

I see it, I like it,
I buy it

Wise

I shop around
and compare
prices – once
it's not shoes

I give \$500
to the needy
every week

Let's take a closer look at their spending habits. Put yourself in Kevin's shoes. For those fast food trips, let's say you spend \$300 daily. For five days a week, that's \$1,500. In a month, you would have spent \$_____. In a school year, that total would be \$_____. It really adds up, doesn't it?

Could the money have been spent differently? Could you have bought books or a laptop? Better yet, that's money you could have saved. It's OK to have things you enjoy. However, spending less means having more to save, and more to enjoy in the future.

PART 1

THE IMPORTANCE OF SAVING

Why save?



Wish you could afford a new smartphone? Want to buy that fire fit for your bday party? What about life after graduation? Will you go to college or own your own business? If you're serious about achieving your goals – whether it's college or clothes - this is the time to do something about it.

As a teenager, the thing you're most looking forward to is probably the next holiday break from school. Saving may be the last thing on your mind. But did you know that saving even small amounts today will make a big difference in the future? That's right! Plus, there's no better time to learn the right way to manage and spend your money.

Deciding to start saving now is an important decision that will help secure your future. Saving today paves the way for you to pay for your future goals with ease.






FUTURE GOALS

-  Hot outfit for bday party
-  New smartphone
-  College education
-  Video game
-  Emergency fund
-  House deposit
-  Comfortable retirement

When you start saving early, you will be well on your way to achieving your goals as you strive for future happiness and success.



THE BENEFITS OF SAVING

Saving is the key to **Financial Well-being** and **building wealth**. Having savings means you:

-  can afford the things you want, like a new pair of jeans, a new textbook, a car or a house,
-  have cash in an emergency,
-  can retire in comfort,
-  don't have to depend on your parents all the time, and
-  feel good, especially if saving is a major sacrifice.




BASIC PRINCIPLES OF SAVING

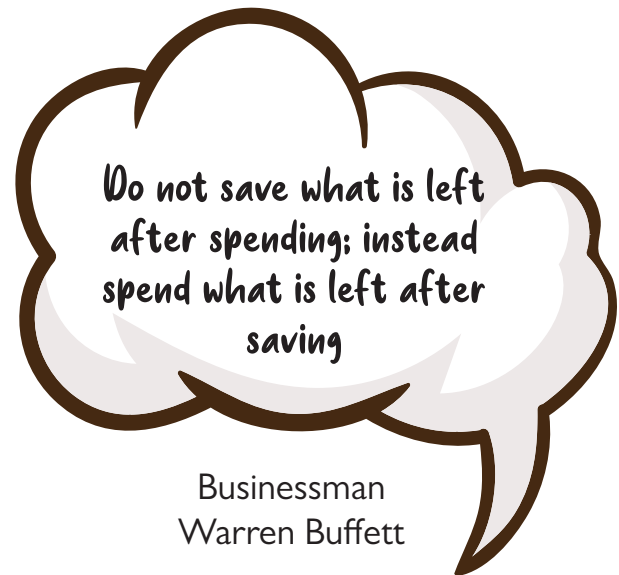
You might be thinking you can't save. After all, you're just a student and you likely don't have a job. Wanna hear a secret? **EVERYONE CAN SAVE**, including you. There are two main things to remember about saving.

-  **1. No matter how much you earn, once you spend less, you're saving.**
-  **2. No matter how small, each time you get money, put some aside as savings.**



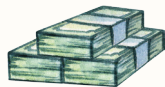
PAY YOURSELF FIRST

-  The first thing you should pay each month is yourself.
-  Before you pay any bills, set aside a fixed amount (ideally a minimum of 10% of your earnings) to save towards your goals.
-  This means you will be able to save consistently, without the risk of not having any money left back.



TYPES OF SAVINGS ACCOUNTS

A safe and easy way to save your money is in a savings account at a financial institution. There are different types of savings accounts. The one you choose will be based on where you are in the Financial Lifecycle, as well as your financial goals. We recommend that persons have a few different accounts based on your financial goals.

**Regular Savings Accounts:**

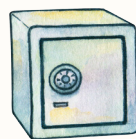
Make deposits and withdrawals anytime by visiting a branch, using a debit card or online banking.

**Contractual Savings Account:**

Save a fixed amount every month for a minimum period of one year.

**Certificate of Deposit:**

Funds are untouched for set periods of time as they have specified fixed terms (usually 30, 180 or 365 days).

**Long-term Savings Account:**

Funds remain untouched for a minimum of five years.

HERE'S A FUN SAVINGS QUIZ FOR YOU.

1. Which of these mottos is most likely to lead to saving?

- ☐ Buy now, pay later
- ☐ Save now, buy later
- ☐ Splurge now, worry later

2. You've gotten money you weren't expecting...like a lot of money.
What do you do with it?

- ☐ Splurge on something you really want and save what's left
- ☐ Save all of it
- ☐ Both

3. Which of the following is the best way to accumulate savings?

- ☐ Keep all your savings in a single account
- ☐ Diversify with several different accounts
- ☐ Use a partner plan for community development

4. Check the benefits of saving from the list below.

- ☐ Having cash in an emergency
- ☐ Retiring in comfort
- ☐ Being able to afford the things you want
- ☐ Having enough to lend to family members

5. Which is the best financial goal to set for yourself if you want to build your savings?

- ☐ Save a fixed amount consistently
- ☐ Save as much as you possibly can
- ☐ Save when you have extra money, no matter how small

6. Match the savings account with its correct description.

Long-term Savings Account

Save a fixed amount every month for a minimum period of one year.

Regular Savings Accounts

Funds remain untouched for set periods of time as they have specified fixed terms (usually 30, 180 or 365 days).

Contractual Savings Account

Funds remain untouched for a minimum of five years.

Certificate of Deposit

Make deposits and withdrawals anytime by visiting a branch or electronically using a debit card or online banking.



MAKING

more

MONEY

earning interest

The most effective way to plant the seeds for your financial security is by saving early and consistently. Don't get caught up with how much you save. Just commit to putting something aside on a set timetable and allow your money to grow over time.

A regular savings account allows you to deposit money (add money to your account) or withdraw money (remove money from your account) at any time. In return for keeping your money at the bank, the bank pays you interest.

Interest is earned on the money you have in your account. The bank will calculate how much money you should receive in interest.

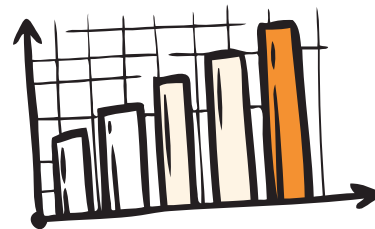
COMPOUND INTEREST

The interest paid on your savings is either Simple or Compound Interest. Simple Interest is paid only on the money you save or invest (the principal), while Compound Interest on the other hand is paid on your principal plus on any interest you have already earned.

As a young person, you're in the best position to benefit from Compound Interest. Compounding works best to help you achieve your long-term goals, such as Saving for Retirement. It helps you build wealth faster and has a greater effect on your savings over a longer period of time. Want Compound Interest? Start saving now!

Compound interest is the eighth wonder of the world. He who understands it, earns it he who doesn't pays it.

Nobel Prize-winning physicist Albert Einstein



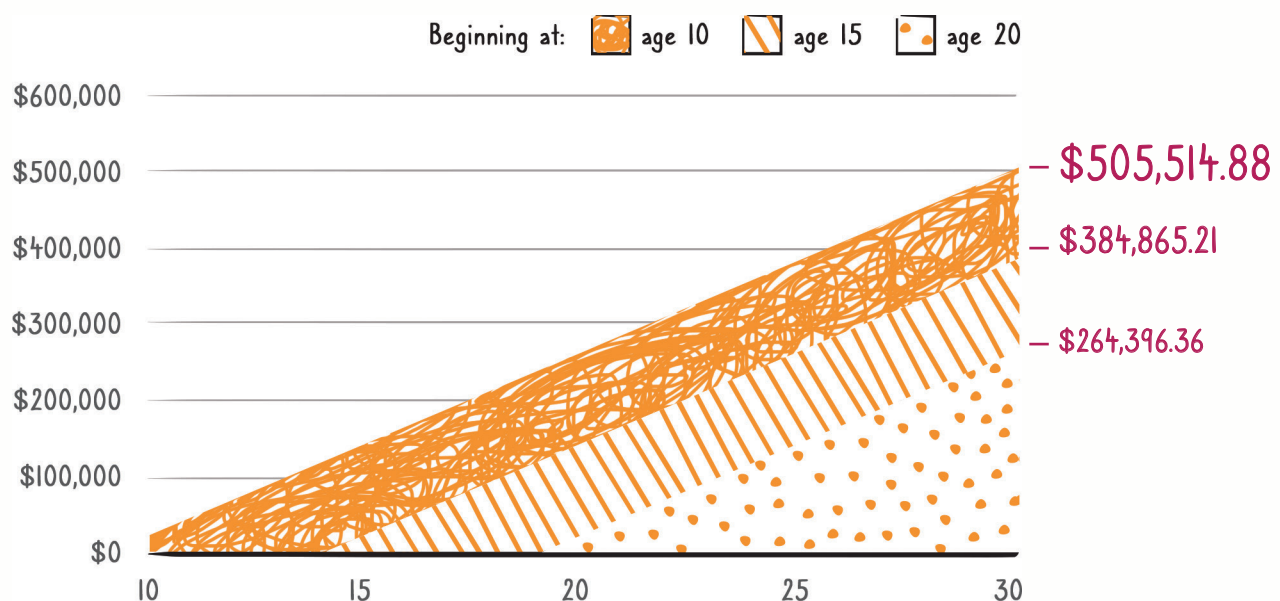
SCENARIO

Kevin wants to cut down on his spending so he can save more. Remember the \$300 he spends after school every day on fast food? He's thinking of reducing that weekly spend to \$1,000 and saving the difference of \$500. His mother suggests putting the \$500 into a Contractual Savings Account that earns more interest, more often. So he will be saving \$2,000.00 monthly and \$24,000.00 annually. Their bank currently offers 0.03% percent interest per annum on a deposit account, and interest is compounded daily.

How much would Kevin be earning in a year?

Is this a good option for him? Why or why not?

Potential growth of \$24,000 invested annually (\$2,000 monthly) at 0.03% interest



SAVING AS A STUDENT



Hi guys! My parents have an anniversary coming up. I think it would be weird to ask them for money to buy their own gift, so I want to pay for it myself. I asked my friends how I could earn some extra cash. We came up with some pretty cool ideas. I want to share them with you, so you can also earn extra cash and have more to save. Here you go!



1 OPEN A SAVINGS ACCOUNT

Putting money aside in a savings account helps you manage it better. You don't need a lot of money to open a student account and it's nice to see the funds add up over time, especially when interest is added.



2 GET A PART-TIME JOB

Check around your community for businesses that need some extra help. Restaurants may appreciate an extra set of hands to deal with the dinner crowd. Or stay closer to home – do extra chores around the house that you can reasonably be paid for.



3 TUTOR STUDENTS

Are you a whiz at Math or Science? Offer to tutor someone in your high school or at primary/prep school, who's struggling with those subjects.



4 TAKE ADVANTAGE OF STUDENT DISCOUNTS

There are stores that offer student discounts with ID. You're a student, aren't you? Shop at these stores whenever possible. And if you don't see a sign, it doesn't hurt to ask if they offer discounts to students.



5 DIY

Show off your do-it-yourself skills by fixing your shoes yourself or doing your own hair. Need some additional help? Look it up on YouTube and get doing. Before you know it, you could be offering the same service to others – for a fee of course!



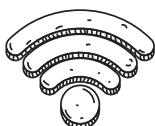
6 HAVE A "PIGGY BANK"

Whether it's a jar or a shoe box, a 'piggy bank' has no age limit. Keep one in your room and fill it up with the coins you get from purchases, or small change that's left back in your wallet. It will really add up!



7 TURN HOBBIES INTO CASH

Are you a whiz with a camera? Can you do braids better than most people? Earn money from these hobbies. Get hired to take pictures or be the go-to girl for braids. This could also be your future business as an entrepreneur. Sounds exciting, right?



8 USE FREE WIFI

Most of your friends and family likely have smart phones. Use the free WiFi which most places have to chat and browse. Budget a fixed amount for phone credit every month and be disciplined – once it runs out, wait until the following month to add more.



9 MAXIMISE ON SCHOLARSHIP PROGRAMMES

Many companies and government agencies offer scholarships and grants to students to help with their tertiary studies. Victoria Mutual gives several to student savers every year, so this is a great reason to open an account.

Victoria Mutual rewards our student savers with grants and scholarships to help you fund every stage of your education.



The VM Foundation Junior Plan Head-Start Scholarship is awarded to the three top PEP 'Junior Plan' savers, (one from each county) to assist with the first five years of high school.



The VM Foundation Future Plan Head-Start Scholarship has a three-year tenure and is for students who will be starting tertiary education.



The VM STEM Head-Start Scholarship is a new scholarship specifically for a student who will be starting tertiary education in the area of Science, Technology, Engineering or Mathematics. This is keeping with the national growth areas and to help to prepare and support students who are pursuing careers in this area.



Visit vm.foundation for more info about VM Foundation Head-Start scholarships.



10

ELIMINATE UNNECESSARY SPENDING

Do you really need the latest Smart Phone or sneakers? Saving requires discipline. Be willing to sacrifice some of the pleasures of today, like buying a Starbucks drink after school every day, for future benefits, like the trip to Spain, or that new car.

MAKING MONEY

For You
investing



WHAT IS WEALTH?

Want to be rich? Who doesn't! Here's the thing – becoming wealthy isn't about how much you earn. It's about how much you keep and what you do with it.

ACTIVITY

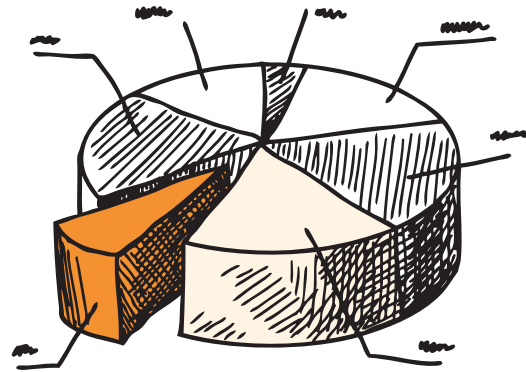
In 30 words or less, define what it means to you to be wealthy.

WHAT IS INVESTING?

You would have heard the term 'investing' or 'investment' before. Do you know the difference between saving and investing? In simple terms, investing means putting money or assets aside that will make more money for you. Investing may require that you take on additional risk. However, the risk is often worth the returns that you get. In the long run, investments have the potential to earn more than you can usually make in a savings account.

TYPES OF INVESTMENT

- 1. EQUITIES
- 2. UNIT TRUST



EQUITY

Equity represents an ownership interest in a company. The terms Stocks | Equity | Shares mean the same thing.

WHY ARE STOCKS ISSUED?

Companies issue stocks as a way of getting money for various business goals. The value of a stock increases when the company performs well or is expected to perform well.

WHAT DOES IT MEAN WHEN YOU PURCHASE A SHARE OR STOCK?

Here's what happens once you purchase shares or stocks in a company.

- You have ownership in the company and are now a Shareholder.
- As a shareholder you can help to decide company policies
- Annual General Meetings (AGM) are held, where major company matters are discussed.
- Shareholders have the right to vote on these issues.
- You share in the profits of the company by way of dividends.

HOW DO STOCKS PROVIDE A RETURN?

Stock returns have two main components.



CAPITAL GAINS: The profits realised when the selling price of the stock exceeds the purchase price.

DIVIDENDS: A Dividend is the distribution of a portion of the company's profits to shareholders.

In Jamaica, you may participate in the buying and selling of stocks that are listed on our local Stock Exchange, through an authorised broker/dealer.

WHY EQUITIES?

There are many reasons to invest in equities.







-  *Benefits from growth of Jamaica's best businesses*
-  *Modest dividend yield provides regular income to portfolio*
-  *Benefit from our research to ascertain*
 - *Quality of business and management*
 - *Potential growth and income*
 - *Business with long term competitive advantage*

UNIT TRUSTS

A Unit Trust is a Collective Investment Scheme. Funds are pooled and invested in assets such as stocks, bonds, real estate and money market instruments. The fund is managed by professional fund managers like our team at VM Wealth with oversight from a trustee, whose role is to safeguard the interest of the investors.

WHY INVEST IN UNIT TRUSTS

Unit Trusts provide an opportunity to invest in attractive assets, while the management of the risks associated with these assets is done by an expert portfolio management team. Benefits include:

-  Higher Returns
-  Diversification
-  Capital Gains
-  Tax free gains on our Equity funds
-  Currency and Inflation Hedge
-  Liquidity

RETURNS FROM AN INVESTMENT ACCOUNT

Opening Balance:	\$10,000.00
Monthly investment:	\$10,000.00 for ten years
Savings:	\$1.2M
Total Account value at	\$2.797M
15% interest rate indicative (i.e. rate is not fixed and may fluctuate, going higher or lower)	
Gains:	133%

The companies listed below offer stock you can purchase.
Check the names of the companies you would like to own as a shareholder.

- ☐ Berger ☐ Digicel ☐ Honey Bun ☐ Pulse
☐ VM Investments ☐ GraceKennedy ☐ Seprod

What other companies would you like to 'own'?

1. _____
2. _____
3. _____
4. _____
5. _____







BUDGETING



Does your wallet or purse seem to be magical, the kind that makes money disappear? Do you know where all your money goes? A budget is a useful tool for you to answer that and other questions and become financially successful.

Creating a budget will:

-  *help you to track your income and expenses*
-  *tell you how much money you earn and exactly how you spend it*
-  *help you make the most of the money you earn*
-  *help you achieve your financial goals*

If your income is higher than your expenses, you're on the right track. If you are spending more than you are earning, then you're living above your means. You need to find ways to either reduce your expenses or increase your income.

Let's see what your monthly budget looks like. Here are some things to keep in mind as you figure it out.

TYPES OF EXPENSES

FIXED: Known, regular payments (e.g. Internet fee)

VARIBALE/FLEXIBLES: Known but irregular payments (e.g. lunch, phone cards)

PERIODIC: Known but occasional payments (e.g. school fees)



STUDENT BUDGET

Income	Weekly	Monthly
Lunch money		
Pocket money		
Total Income		
Expenses	Weekly	Monthly
Lunch		
Transportation		
Total Expenses		

A large yellow star with a textured, hand-painted appearance is centered at the top. It is surrounded by several yellow brushstrokes of varying lengths and angles, resembling rays of light or motion lines.

Extra CREDIT



UNDERSTANDING DEBT AND CREDIT MANAGEMENT






Let's talk about credit, or debt for a bit. Do you think of debt as a good or a bad thing? At this stage in life, you're likely to be debt-free. You will come to realise that it's difficult to pay cash for things like your university education, car or house, so these are mainly bought using credit. Borrowers may also benefit from lower interest rates, discounts on fees and so on. Credit is a valuable tool which can be to your benefit if used wisely. A big part of financial well-being is making smart credit choices.

However, without proper management, things can get out of hand quite easily. Does a D sound like something you want to see on your report card? We're sure it's not. Neither do you want a bad credit rating nor history, as this can affect your ability to get loans in the future.

Hint: Financial institutions now check your credit history as part of their standard loan application assessment.

Besides, bad credit can significantly reduce your wealth. Ugh!

So how exactly should you approach credit? We've got a few ideas.

-  *Only take loans that are absolutely necessary.*
-  *Before taking a loan, ask yourself:*
 - *Do I really need a loan to buy this, or can I wait a little longer and save for it instead?*
 - *Is this building my wealth or just increasing my debt and reducing my net worth (your assets – your liabilities)?*
-  *If you do take a loan, make sure you learn everything about it. **READ THE FINE PRINT!***
-  *Try to avoid taking loans for friends and family members. Being a guarantor means you accept full responsibility for repaying the loan if the person defaults.*
-  *Be very careful with credit cards, pay day and hire-purchase loans. Interest rates are usually very high and in most cases you end up paying multiple times for your purchase. That king-sized bed with the memory foam mattress can end up costing you 3-5 times the cash price!*

The most important part of your credit history is your track record for paying bills and repaying loans.

These will have a negative impact on your credit history:

- *paying bills late*
- *missing loan payments*
- *not repaying loans*
- *having an asset repossessed*
- *having a court judgment levied against you in relation to a bill or loan*

Good credit saves you money – Bad credit costs you money

THE CREDIT CARD CHALLENGE

To charge, or not to charge? Should you, or shouldn't you? Credit cards can be useful if used wisely. Those small pieces of plastic come in pretty handy when:

- *making online purchases*
- *making reservations*
- *renting a car*
- *making emergency payments*
- *trying to establish your credit history*



Restrict yourself when it comes to your credit card; having one doesn't mean you have free money to spend. There's always the matter of interest which must be paid on everything you purchase.

Master your credit card with the following tips.

- *If you use your credit card, aim to pay off the balance each month.*
- *If you can't pay off the balance, try to pay more than the minimum payment.*
- *Make credit card payments on time to avoid late fees.*
- *Avoid over-limit fees by not exceeding your credit card limit.*
- *Try to stick with one credit card – it's easier to pay one bill each month.*

ACTIVITY

Go through the list below. Write down if you consider each action 'wise' or 'unwise'.

	Wise	Unwise
Taking out a \$200,000 student loan for college tuition	<input type="checkbox"/>	<input type="checkbox"/>
Charging dinner and movie tickets during a night out with your friends	<input type="checkbox"/>	<input type="checkbox"/>
Buying a laptop that's on sale using the store's hire purchase plan	<input type="checkbox"/>	<input type="checkbox"/>
Getting a payday loan to pay your credit card bills	<input type="checkbox"/>	<input type="checkbox"/>
Charging repairs to get your car running again	<input type="checkbox"/>	<input type="checkbox"/>
Borrowing cash from a friend to buy some magazines	<input type="checkbox"/>	<input type="checkbox"/>

PART 2




WEH YUH

Life a go?

Goal Planning



Now to the really cool stuff – your own Goal Plan! It's much easier to achieve your financial goals when you know:

-  *exactly what you want,*
-  *when you want it, and*
-  *how much it will cost to achieve it.*

Remember the VM Approach to Financial Well-being which we looked at earlier?
Can you write down the steps?



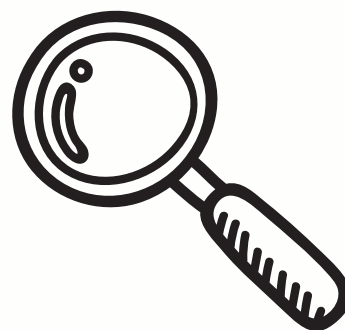
VICTORIA MUTAL FINANCIAL WELL-BEING APPROACH

Step 1:

Step 2:

Step 3:

Step 1



ASSESS YOUR SITUATION AND DOCUMENT YOUR GOALS

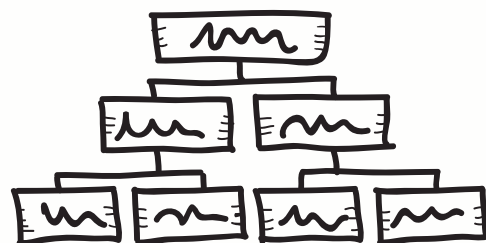
Earlier you looked at your situation to see where you are in the Financial Lifecycle and your attitude towards money. Let's document your goals.

We all have goals that we want to achieve and life events that we need to plan for. Some popular goals are:

Goal	Motivation
Emergency Fund	6 months of living expenses to take care of unexpected issues such as car repairs, medical bills, natural disasters
Higher Education or Children's Education	Improve job options Be in a better position to earn a higher salary and improve standard of living
Home Ownership	Stability and security for self and family
Retirement	Build equity to increase wealth To maintain a comfort standard of living after working full time

Step 2

CREATE SPECIFIC PLANS FOR ACHIEVING THESE GOALS



Writing down your goals is the first step towards creating a successful financial plan. So, what are your goals? What's important to you in the short, medium and long term? Part of creating your plan is deciding the period of time within which you want to save up for a goal, or your time horizon, and how much you want to put away each month to help you reach it. Once you prioritise a goal, you may have to put the others on hold as you try to achieve it.

Here are 3 sample goals for the short, medium and long terms.

Goal	Time Horizon	Plan
Buy a New Smartphone for my birthday	<ul style="list-style-type: none">• 1 year• Short-term	To buy a new Samsung A10 smartphone which costs \$30,000.00 in January 2020. I will save \$2,500 per month in a VM Save2Grow Account .
Save towards my undergrad degree	<ul style="list-style-type: none">• 5 Years• Medium-term	To start my BS which costs \$300,000.00 per year in September 2025, I will save \$5,000.00 per month in a VM Save2Grow Account .
Save for a Car	<ul style="list-style-type: none">• 10 Years• Long-term	To save \$1M towards the purchase of my car in 10 years, I will save \$8,000.00 per month in a VM iSave Account .

Now go ahead and complete the Goal Planner below, based on the example shown.

GOAL PLANNER FORM

Goal	Time Horizon	Plan

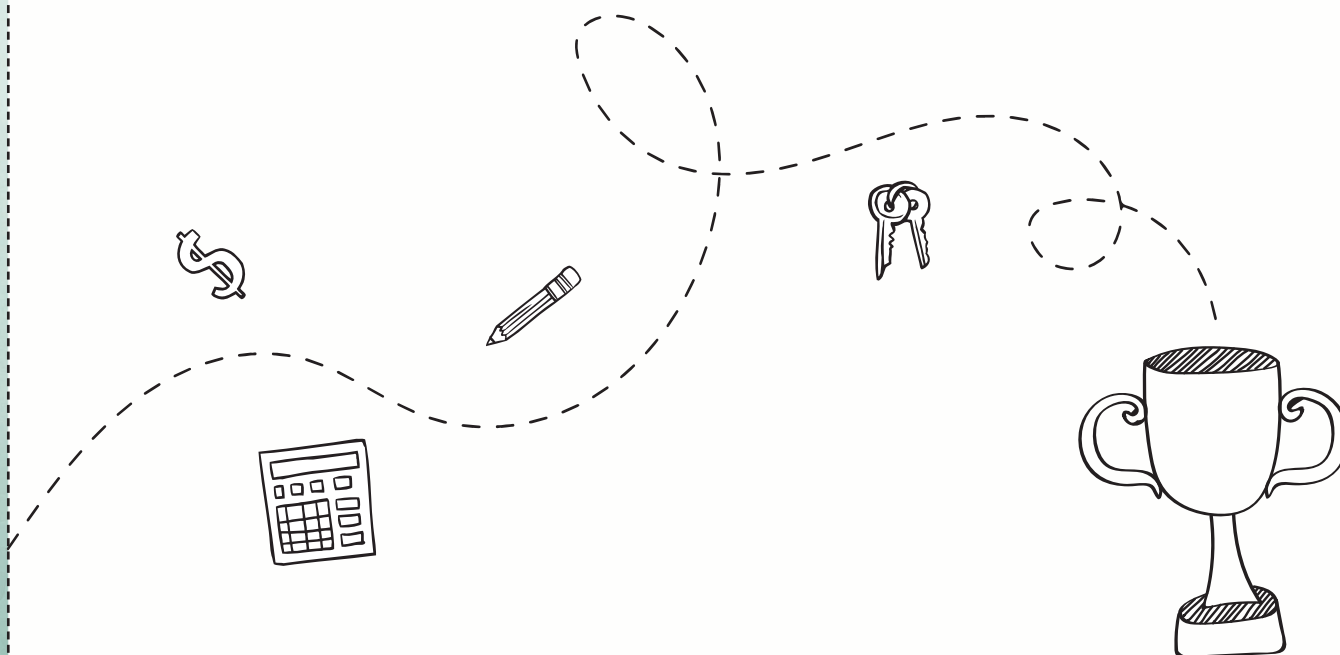
Step 3

TRACK YOUR DESIRED MILESTONES TO ACHIEVING THESE GOALS



CONGRATULATIONS!

Look at you – you made your plan and pretty soon, you'll be well on your way to reaching your goal. As your journey unfolds, it's important to keep track of everything, so you can stay focused; call it a report card. This will be useful if there are any changes to your income, health, or family needs, or even the goal itself. Do a mid-term or semi-annual review of your plan and do an in-depth evaluation if any life events happen as you pursue your goal.



PART 3

BIG MAN ting

Achieving
some
major
life goals



HOME OWNERSHIP

Doesn't owning your own home sound exciting? It's something we all dream about. Buying a home is one of the biggest investments most people will make. To purchase a home, you don't need to save the entire price. You can get a loan called a mortgage.

A mortgage is a type of loan for buying a house.

So what are some of the basics you need to understand about mortgages and saving to buy a house?

STEPS TO ACHIEVING HOME OWNERSHIP

1 SAVE

When borrowing money for a house, you will normally need to pay at least part of the purchase price of the home. This is known as the down payment. Get an idea of the cost of the home you want to purchase. The down payment is usually 10-15% of the cost of the house. Closing costs and other mortgage related expenses will also be required. You should save at least 10-15% of the purchase price of the house to cover these expenses as well. In total, you should save 30% of the price of the house.

2 SEARCH

Look around for the home you desire. You should think about where it is located, how affordable it is, the security of the community, and how close it is to work and school.

3 SECURE

You've saved up your deposit and identified the home you want. You're now ready to take the next step.

THE MORTGAGE PROCESS

1 DISBURSEMENT PRE-QUALIFICATION

During the pre-qualification stage, a VM Branch Representative will assess income-related documents to give the prospective home owner an idea of how much they are likely to be qualified for. To facilitate this process, the following are required:

- *Last three months' pay slips*
- *Employment Letter*
- *A valid I.D*
- *Completed Income & Expenditure Form*
- *Credit Report*

2 THE APPLICATION

Once the prospective home owner has located the property of interest, they are required to provide the relevant personal and property related documents to facilitate a complete application for review.

3 ACCEPTANCE

When the loan requirements have been satisfied, the full application will be submitted to the Adjudication Team for a decision. If the decision is favourable, an Offer Letter will be prepared for execution and signifies an agreement with the loan offering and conditions applicable. The Commitment Letter will then be prepared and sent to the Vendor's Attorney.



4 MORTGAGE REGISTRATION

At this stage, VM's attorney will be instructed to prepare the mortgage and will make contact with the prospective home owner to have the mortgage documents, including the Mortgage Deed, signed. Our attorney will request, from the vendor's lawyer, documents related to the transaction (i.e instrument of transfer, original copy of title). Once all documents are in hand, they will be sent to the Stamp Office and then the Titles office for registration.

5 DISBURSEMENT

On completion of the aforementioned process, our attorneys will request disbursement of loan and the amount requested will be sent to the vendor's lawyer via electronic transfer. The borrower will then receive a letter from us informing of the disbursement of the loan.

Once the process has been completed, it's time to collect your key and move into your dream home!

Here's how Renting compares to Home Ownership.

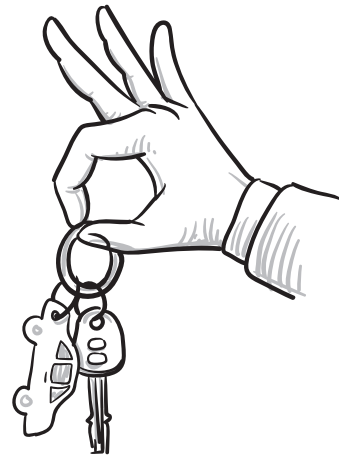
	ADVANTAGES	DISADVANTAGES
RENTING	<ul style="list-style-type: none">• Ease of mobility• Fewer responsibilities• Lower initial costs	<ul style="list-style-type: none">• Few financial benefits in the form of tax deductions• Restricted lifestyle, decorating, having pets and other activities• Legal concerns• No opportunity to have value of a home
BUYING	<ul style="list-style-type: none">• Tax savings• Pride of ownership• Potential economic gain• Security and stability	<ul style="list-style-type: none">• Financial risks related to having down payment funds, obtaining a mortgage, fluctuating property values and mortgage caps• Limited mobility if a home is difficult to sell• Higher living costs due to repairs and maintenance

BUYING A CAR

Buying a car is usually the first financial goal for those in the Career Development stage of the Financial Lifecycle. Before you get behind the wheel, be sure to identify the costs associated with buying, maintaining, insuring and operating a car, and make a monthly budget. This will help you determine:

- *how much you can afford to pay for a car*
- *the kind of car you should purchase (new, used, make, model, year etc.)*
- *the repayment period*
- *what your monthly car-related costs will be*
- *how your other goals will be affected*

Shop around and compare the prices available at the various dealerships. Be sure to test drive the car in question to make sure it runs right. Check out the history of that car so you don't get caught by surprise with the need for new parts and general services.



RETIREMENT

We know – you're still in high school and we're already talking about retirement. Remember that it's never too early to start planning, so this is actually a great thing! With that being said, what does retirement look like for you? Do you dream of watching breathtaking sunrises with your morning coffee in hand? Or would you rather spend your days travelling to faraway places you always wanted to visit? Everyone has a different goal for their retirement years. While our retirement goals may all look different, we must all prepare for it.

Retirement means you are in the final stage of the Financial Lifecycle and have stopped working full time. This means you may no longer have a source of income. So how will you cover your expenses if you live, let's say, another 25 years after you retire?

1 DECIDE ON THE TYPE OF LIFESTYLE YOU WANT TO HAVE

Like with any other goal, it's important to write down what your retirement needs will be. Take your time and carefully go over all the details.

2 CREATE A RETIREMENT BUDGET

How much money will daily, weekly and monthly expenses add up to? Where will you be living? What will your expenses be? Will you have any additional income sources, such as rental income from property you own? Create a detailed budget, which will tell you your monthly savings in order to get to your target amount upon retiring.

3 CHOOSE THE RIGHT SAVING OPTION

Align your retirement goal with your savings account. A long-term fixed deposit account which pays compound interest may be the ideal option.

4 CONTRIBUTE TO YOUR EMPLOYER'S RETIREMENT SAVINGS PLAN

Take advantage of the retirement savings plan your employer offers by maximising your contributions.

5 CONTRIBUTE TO A SELF-EMPLOYED RETIREMENT SAVINGS PLAN

If you are self-employed or if you are employed at an organisation that does not offer a retirement plan, you can still prepare for retirement with an individual retirement plan.

APPENDIX

UNDERSTANDING MY MONEY PERSONALITY

Understanding how you make decisions will help you to understand your money personality. Which of the following best describes you?

Spontaneous

Choosing the first option that comes to mind; giving little or no consideration to the consequences of the choice.

Compliance

Going along with family, school, work, or peer expectations.

Procrastination

Postponing thought and action until options are limited.

Agonizing

Accumulating so much information that analyzing the options becomes overwhelming.

Intention

Choosing an option that will be both intellectually and emotionally satisfying.

Desire

Choosing the option that might achieve the best result, regardless of the risk involved.

Avoidance

Choosing the option that is most likely to avoid the worst possible result.

Security

Choosing the option that will bring some success, offend the fewest people, and pose the least risk.

Synthesis

Choosing the option that has a good chance to succeed and which you like the best.

Source: www.practicalmoneyskills.com

VM SAVINGS PRODUCTS

Regular/ Primary Savings

Victoria Mutual offers either a share or deposit saving option to Jamaica residents in local currency. Save at your leisure at chosen intervals with unlimited deposits and withdrawals.

- Minimum starting deposit of J\$1,000
- No monthly deposit commitment
- Interest calculated daily and paid annually
- Savings secured by Jamaica Deposit Insurance Corporation (JDIC)*
- Useful for persons with fluctuating income
- Facilitates savings towards short and medium-term goals
- May be used as collateral on loans
- Free debit card transactions using VM Express ABM Card
- Withdrawals may only be made in the currency saved
- Withholding Tax is deducted from this account except where there are noted exemptions.

VM iSave for home

This twelve-month contractual savings account is the ideal option to save for the deposit on your home. Save consistently and access superior mortgage benefits!

- Minimum monthly deposit (J\$5,000, US/CDN\$100 and £75)
- Interest calculated daily
- Savings secured by Jamaica Deposit Insurance Corporation (JDIC)
- Ability to choose a monthly deposit that allows you to get to your goals faster
- Above-average interest rates on savings
- Facilitates consistent savings towards short to medium term goals
- Simplifies the process of working towards a goal with built-in discipline of a monthly deposit and automatic monthly withdrawals
- May be used as collateral on loans
- May be renewed at the end of the period

VM Save2Grow

The VM Save2Grow is a deposit account, specially designed to provide scholarship opportunities for children 1 - 18 years. Deposits may be made at chosen intervals, with no fixed monthly deposit required to maintain the account.

- Three specially designed savings growth plans for students:
 - The Junior Plan (0-11 years)
 - The Future Plan (12-17 years)
 - Master Plan (18 & over)
- Minimum deposit of J\$200 to open account
- Interest rates in line with regular savings accounts
- Interest calculated daily
- Deposit and withdrawal flexibility
- Perfect tool to help children develop the habit of saving
- Ideal for saving towards covering the cost of tuition, textbooks, uniforms, examination fees etc.
- Young savers who hold a Save2Grow account have a chance to qualify for a VMBS PEP Bursary, Junior, Future or Master Plan or STEM Head-Start scholarships.

VM iSave

Saving towards your goals is made easy with our VM iSave account, as we help you develop a consistent saving pattern. Thinking of furthering your education? Consider an iSave account instead of a high-interest loan to pursue your graduate studies. Whatever your specific goals are, they can be achieved in a set timeframe.

- Minimum monthly deposit is JMD\$1,000.00, US\$50, CDN\$50 or UK£20
- Ability to choose your monthly deposit
- Above-average interest rates on savings
- Flexibility to save in your choice of JMD\$, US\$, CDN\$ or UK£
- Consistent savings towards your short to medium term goals
- Savings secured by Jamaica Deposit Insurance Corporation (JDIC)*
- Safe, secure saving in a solid institution

VM iGain Certificate of Deposit

This is a Certificate of Deposit (Fixed Deposit) account which provides highly competitive rates on lump sums.

- Choose your maturity period (30 days, 90 days, 180 days or 365 days)
- Minimum investment is J\$10,000, US\$1,000, CDN\$1,000 or £1,000
- Highly competitive interest rates on J\$, US\$, CDN\$ or UK£
- Flexibility to save in the currency of choice
- Interest paid at maturity
- Flexibility to periodically add to your deposit
- Savings are secured by JDIC

VM Money Maker

A long term tax advantaged Jamaican dollar savings account, the VM Money Maker pays tax-free interest on lump sums held for a minimum of 5 years.

- Minimum deposit of J\$25,000
- Maximum deposit up to J\$1 million each year
- Interest calculated daily to maximise earnings
- Access up to 75% of the interest earned on a quarterly basis
- Withdrawals allowed to assist with short term needs

Bridal Registry Account

The Bridal Registry account facilitates the deposit of cash gifts from wedding guests. Establish your financial future as a couple, or recoup some of your wedding expenses! The account is operated as a joint savings account and attracts interest rates offered at the time of opening.

- Open with a minimum deposit of J\$1,000
- Available in J\$, UK£, US\$ or CDN\$
- Guests can purchase a VMBS Gift Certificate valued at any amount
- Deposits may be made at any VMBS location islandwide
- Great alternative to bridal registry gift options

VM Wealth

Unit Trust

This is a collective investment scheme. Funds are pooled and invested in assets such as stocks, bonds, real estate and money market instruments.

- Minimum investment is J\$10,000
- A diverse range of financial assets
- High liquidity giving you easy access to your money when you want or need it
- Potentially higher returns compared to Repo Investments and Deposit Accounts
- An increase in the unit price resulting in a high potential for capital gains
- Simple to understand with easy tracking of your returns
- An experienced team of Professional Fund Managers will provide expert management of the Unit Trust Portfolios

*Conditions apply

VM Wealth Repo Max

The VM Wealth Repo Max Money Market Repurchase agreement is an investment instrument geared at helping Members/Clients to invest towards achieving their short term financial goals. It is also suitable for clients with a very low tolerance for risk.

- Available in J\$ and US\$
- Minimum investment of J\$1M or US\$10,000
- 30, 90, 180, or 365 days tenures
- Interest accrues daily and is paid on maturity
- Safe, secure, backed by GOJ securities
- Attractive interest rates
- Highly liquid

VM Wealth Management Bond Trading

VM Wealth Management Bond Trading is a medium to long-term investment instrument designed to provide clients with steady income stream over the medium to long term.

- J\$ or US\$
- Minimum opening balance of US\$10,000
- Local & international bonds
- Corporate bonds
- Sovereign bonds
- Potential capital gains
- A steady income stream
- Solid recommendations
- Returns above regular money market interest rates
- Opportunity to save for medium to long-term purchases

VM Equity Builder

The VM Equity Builder is a long-term investment vehicle. It constitutes shares traded on the Local Stock Market that are recommended by an expert team of Wealth Advisors, based on in-depth analysis by the Research and Stockbroking team.

- Trading in US\$ or J\$ in JSE-listed stocks
- Trade online
- 2% commission per trade in office
- 0.75% Commission for trades online
- Regular stock market performance and corporate updates
- Potential for high returns from capital appreciation and dividend distributions

*JSE and JCSD fees apply

VM Pensions Management

VM Pensions Approved Retirement Scheme (ARS)

The VM Pensions Approved Retirement Scheme (ARS) is a personalised pension plan that provides eligible Jamaicans with a tax-free way of saving for retirement. Self-employed persons, professionals and contract workers can benefit from the most tax efficient vehicle to save for retirement.

- Tax-deductible contributions
- Higher contributions of up to 20% of annual income per year
- All investment gains are tax-free with no time limit
- A simpler and more cost effective structure
- No implementation time to set up as the enrollment process is immediate
- No legal and regulatory reporting requirements
- A more flexible arrangement as it allows the employer the ability to commence, cease, increase, decrease his contribution level based on economic circumstances
- Contributions from the employer are not mandatory



VICTORIA MUTUAL

Building Your Financial Independence



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