



■ A word from FCAC's Commissioner

Welcome to FCAC's first outreach newsletter. This initiative represents another important milestone in our efforts to foster an understanding of financial services among Canadian consumers and our different partners and stakeholders.

Every month, FCAC's representatives criss-cross the country to provide objective information designed to help consumers choose the best banking products and services for their needs. I have also been visiting many provinces personally over the past months, and will continue to do so, in order to promote the importance of financial literacy to different government partners and community groups.

In today's economic climate, Canadians are asking many very specific and important financial questions, launching this newsletter is FCAC's newest initiative in helping to answer those questions. And as always, we are striving to make the information in all our products and publications more accessible and user-friendly. Our new, dynamic red and gold logo is another example of that effort.



All of the Agency's products and publications will soon reflect our new image.

This quarterly newsletter aims to keep you punctually informed of FCAC's new education products and activities. We rely on your feedback to adjust our actions and interventions. So do not hesitate to send questions, comments or ideas to our outreach team at: outreach@fcac-acfc.gc.ca.

Finally, I'd like to thank you for your efforts in building a well-informed nation when it comes to financial issues.

Ursula Menke
FCAC Commissioner

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■ Success Stories

If a picture is worth a thousand words, what about an individual's experiences?

This is why FCAC decided to produce a series of video testimonials to showcase Canadians who work in the personal finance sector or that had, throughout their lives, been able to develop and sharpen their financial skills and knowledge.

These success stories will be available on our Web site shortly. Stay tuned!

■ The City

New Web tool makes financial education easier for Canadian youth

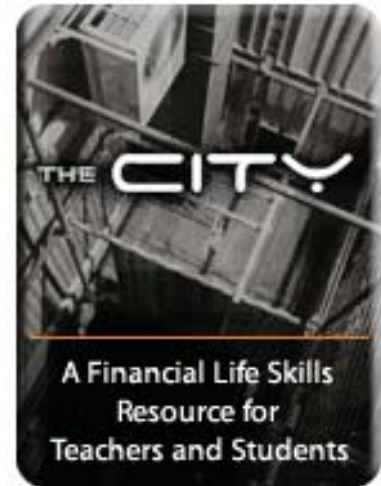
Today's youth quickly develop a keen interest in money, or at least ways to spend it. But despite this unquenchable teen thirst to talk money, basic financial lessons are usually left off the curriculum.

Since its establishment in 2001, the FCAC has pioneered some clear and easy-to-use print and Web tools to give consumers objective, reliable information on financial issues. In order to foster financial literacy in youth, the Agency launched last fall, in partnership with the British Columbia Securities Commission, a comprehensive Web-based

tool to help youth acquire crucial financial know-how.

This bilingual resource named **The City** is free of charge and offers a metropolis of benefits for time-pressed educators. Easy to grasp and deliver, it can be adapted to any classroom and meets the learning outcomes related to financial literacy in every province and territory.

And since it can be taught using either in class lessons or self-guided online modules, consumers can also adapt the activities to meet their own needs.



To find out more about **The City**, visit TheMoneyBelt.gc.ca, FCAC's gateway to financial education.

■ Tips for saving money on credit cards

In these hard economic times, many consumers have trouble paying their credit card balance in full before the due date. However, carrying a balance from month to month on a credit card can be very expensive, because of interest charges. If doing so is the only option, FCAC offers the following tips to help Canadian consumers control their credit card costs:



- Check your credit card statements and report any discrepancy to your credit card company immediately.
- Even if you don't have the money to pay your entire balance, pay what you can, and pay it early. This will reduce your daily balance sooner, so that the interest charged on your next month's statement will be based on a smaller

outstanding balance. Calculate your own benefits in doing so with our new *Credit Card Payment Calculator* available at moneytools.ca.

- Allow enough time for your payment to reach your credit card company. If you don't, you may end up paying more interest and it could also negatively affect your credit history.
- If your financial situation applies, consider switching your balance to a low-rate credit card or a line of credit. These products usually carry a lower interest rate.

To quickly and easily compare the characteristics of more than 220 credit cards in Canada and obtain more tips on how to get the most from them, consumers are invited to consult FCAC's *Credit Card Selector Tool* also available at moneytools.ca.

■ How to save with a low-cost account

You probably have already heard the expression “look after your nickels and dimes, and the dollars will take care of themselves”. In order to collect those dollars, low-cost bank accounts can represent an interesting solution.

Low-cost bank accounts cost less than \$4 a month. They are much cheaper than other types of accounts, and offer such features as a debit card, cheque-writing privileges, a number of free in-branch transactions, and a monthly statement or a bankbook.

As several banks have agreed to offer low-cost accounts, consumers should shop around for the kind

of account that best suits their banking needs. For example, they may prefer to do their banking through a teller. Some banks may charge extra for some in-branch services (such as bill payments) on top of regular monthly fees. Having this type of information can save them from any surprise fees on their bank statement at the end of the month.

To make sure that consumers understand all of the terms and conditions of the low-cost account they choose, they must check out:

- what the monthly fees are;
- what types of transactions are included, and how many;



- how much it will cost for transactions over and above their monthly limit;
- what extra fees may apply for specific services (such as bill payments).

For more information about low-cost accounts, FCAC invites consumers to visit its Web site at moneytools.ca.

■ It pays to boost our financial IQ

We can't read or watch the news these days without a story about the teetering economy, declining sales and corporate cutbacks.

The economy is motivating many Canadian consumers to keep a closer eye on their spending habits, such as thinking twice before jumping on the “buy now, pay later” treadmill. It is also a good opportunity for consumers to review their financial IQ and aim to sharpen it.

Do consumers have a good picture of their current financial situation? How much do they really know about the financial products they own? For example, do they know their credit card's annual interest rate? Are they making the most of their mortgage?



Becoming financially literate pays off in so many ways: improved peace of mind, greater ability to spot and avoid costly mistakes, and more confidence in making financial decisions. So stop waiting and spread the word to encourage consumers to make a plan today to get a better grip on their hard-earned money.

Information at the fingertips

To find objective, accessible and most importantly, understandable financial information, consumers are invited to check out our Web site moneytools.ca and view or download:

- financial tip sheets;
- easy-to-use booklets and;
- interactive Web-based tools that facilitate the comparison of products such as credit cards and banking accounts.

About FCAC

The Financial Consumer Agency of Canada (FCAC) provides consumers with objective, timely information to help them choose the financial products and services that best meet their needs.

FCAC also informs Canadians about their rights and responsibilities when dealing with financial institutions. It ensures that federally regulated banks and trust, loan and insurance companies comply with consumer protection laws and agreements.

■ Information

All of our information, services and publications are available to you free of charge. Our publications help you shop around and choose the best financial product or service for your needs.

■ Protecting the interests of consumers

FCAC makes sure that federal financial institutions such as banks, trusts, loan and insurance companies respect the laws and agreements that protect you. Call us for more information about your rights.

■ Contact information

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