

## Tips for Promoting Financial Independence<sup>14</sup>

One of your primary goals as a sponsor should be the eventual achievement of independence for the refugees you have welcomed to Canada. While this may not happen during the formal sponsorship period, a sponsoring group can do much to assist the newcomer in becoming sufficient. Ensuring that they have a basic understanding of the financial realities of life in Canada, as well as knowledge of how to budget based on the sponsorship funds that are provided to them, will go a long way towards achieving this goal.

To help respect and promote independence, we encourage sponsors to allow newcomers to make their own money management decisions wherever possible. Help them get oriented and accustomed to aspects of finances and money management that might differ from their country of origin or asylum. We recommend that you bring in a professional interpreter for any conversations on finance or money management to ensure mutual respect and understanding.

### Early Weeks

It is important to establish expectations around finances early in the sponsorship. Keep in mind that the concept of refugee sponsorship may not be fully understood by the newcomers you have welcomed. Early discussions about finances should include the following:

- How often funds will be deposited in the refugees' bank account
- An overview of the budget that gives a breakdown of how the funds are intended to be used
- A broader discussion of the roles and responsibilities of the sponsor (this should reinforce the idea that the sponsoring group is providing not only financial support but also emotional and day-to-day support as needed).

Some multicultural organizations and settlement agencies offer financial planning and counselling in specific languages. Although you will provide orientation in this area, it is helpful for newcomers to have someone from their own culture – who understands the

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<sup>14</sup> Adapted from AURA for Refugees, "The Budget Talk." [www.auraforrefugees.org/index.php/toolbox/aura-info-sheets/the-budget-talk](http://www.auraforrefugees.org/index.php/toolbox/aura-info-sheets/the-budget-talk)

differing cultural perceptions around handling money – provide the bridge into the Canadian way of approaching money matters.

## **Budget**

When developing a budget together with the newcomer(s) it is important to create a clear understanding about their financial situation. In budgeting conversations, please respect the dignity of the newcomer(s). Remember that they have experience managing their own finances in stressful situations. Things to consider in your conversations include:

- Make it clear how, and from whom, they will receive money, as well as the expected cost of expenses. Make sure to include, where applicable, [Resettlement Assistance Program \(RAP\) amounts](#) and [Canada Child Benefit \(CCB\)](#) payments in addition to the baseline budget amounts provided in the Sponsorship Cost Table.
- Creating a chart of the budget with income and expenses might be a useful visual aid.
- Discuss how to pay bills and the importance of paying them on time. It is wise to help with this (at least in the beginning of the sponsorship) until it becomes a routine and your support is unnecessary.
- Discuss public transportation and different options for payment, i.e. a monthly pass, tokens, children's tickets, a weekend family pass, etc.
- Discuss costs related to phones and internet (if applicable) such as long-distance calls, texting, calling abroad, using phone cards, calling online, etc.
- Research affordable phone plans, internet plans, and the cost of phone cards before the newcomer(s) arrive in Canada. Preparing in advance will allow you to discuss alternatives together and decide on the best option. Note: Please remember that the post-paid cellphone system common in Canada is uncommon in other countries and can cause a lot of confusion and frustration with newcomer(s).

## Banking

After the newcomers arrive, you will need to go with them to a bank to set up a bank account and get a bank card.

- Do research ahead of time to find a bank with the most benefits and least costs.
- You can confirm with the bank beforehand on what documents are needed to set up a bank account.
- Make sure to teach the newcomer(s) about specific Canadian banking matters, i.e. the cost of withdrawing money from an ATM other than their bank, the cost of paying in a store with the debit card, bank fees, etc.
- Some newcomer(s) will not have ever used cheques, direct deposit, or automatic withdrawals. It is important to explain how these work and, in the case of automatic withdrawals, involve the newcomer(s) in any decisions made to set these up.

## Canada Child Benefit

The Canada Child Benefit (CCB) is a monthly tax-free payment for families with children under the age of 18. Visit the Government of Canada website for details on applying: <https://bit.ly/2uDk6aT>

Given that the processing time for the CCB can be several months, we encourage you to assist the sponsored family with an application as soon as possible after arrival.

## Warning about Fraud

Be sure to caution newcomers about consumer deals that seem “too good to be true,” especially when it comes to purchasing vehicles, obtaining insurance, and door to door alternative utilities salespersons. Canadian Immigrant has a great article that details the top newcomer scamming threats to be aware of:

[canadianimmigrant.ca/slider/beware-of-top-scams-of-the-year-newcomers-vulnerable](http://canadianimmigrant.ca/slider/beware-of-top-scams-of-the-year-newcomers-vulnerable).