

# Learn how to use your card

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## Financial literacy and how it can help you and your family

Each of us makes financial decisions every day. Which products or services are we going to buy? What payment method will we use? Will we pay our monthly bills on time? Are we going to set aside some money for a 'rainy day'? The list goes on...

Study after study shows that the more 'financial literacy' a person has, the greater control they can take over their money situation. And that can translate into real benefits for you and your family.

### What is financial literacy?

Financial literacy means having an understanding of how money works – how it is earned, spent, managed or invested. It's a term that refers to the knowledge or skills that can help you make effective decisions about the money you have coming in (your income) and going out (your expenses) each month.

### Why is financial literacy important?

By understanding and using some of the principles of how money works, you can improve your household finances. The things you learn in this area can help you:

- Spend smarter,
- Reduce your expenses, and
- Have greater control over your finances.

In the process, you can also increase your confidence and peace of mind when it comes to your financial situation.

### Becoming more financially literate

Increasing your level of understanding of how money works can be relatively easy. By learning and applying a few simple tips, you'll be well on your way to taking more control over your financial situation.

We've prepared this series of articles to help you get the most out of your RBC Right Pay™ Visa‡ Prepaid Card. Each article contains practical tips and ideas for you to take greater control over your personal finances. And these are all ideas that you will be able to put into practice quickly, so you can start seeing results right away.

Here's a quick overview of the articles in this series:

## 1. What is a spending plan and how it can help you maximize your dollars?

If your personal financial situation was a house, your spending plan would be its foundation. A spending plan (which is not the same thing as a budget) is a simple strategy for getting the most out of your money each month. This article explains what a spending plan is, how you can create one in less than an hour and how you can use it to track and revise your spending on an ongoing basis. [Click here to view article](#)

## 2. Budgeting basics

More than half of all Canadians don't use a budget to manage monthly spending<sup>1</sup>. In this article, you'll learn about the benefits of setting up a monthly budget. We will walk you step-by-step through the process of creating a budget that works for you. And we will provide you with real-life examples of how to create a budget and how to adjust it over time to change with your financial situation. [Click here to view article](#)

## Getting ahead through greater financial literacy

A recent survey found that most people in Canada found the idea of talking about finances and investing more stressful than going to the dentist. And while talking about finances might be stress-inducing for some people, gaining greater control over your financial situation can add to your peace of mind.

We hope you find some useful ideas and tips in this series to help you take greater control over your finances.

**These articles are intended as general information only and are not to be relied upon as constituting legal, financial or other professional advice.**

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<sup>1</sup> <https://practicalmoneyskills.ca/personalfinance/savingspending/budgeting/>

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