



# NEW BEAT



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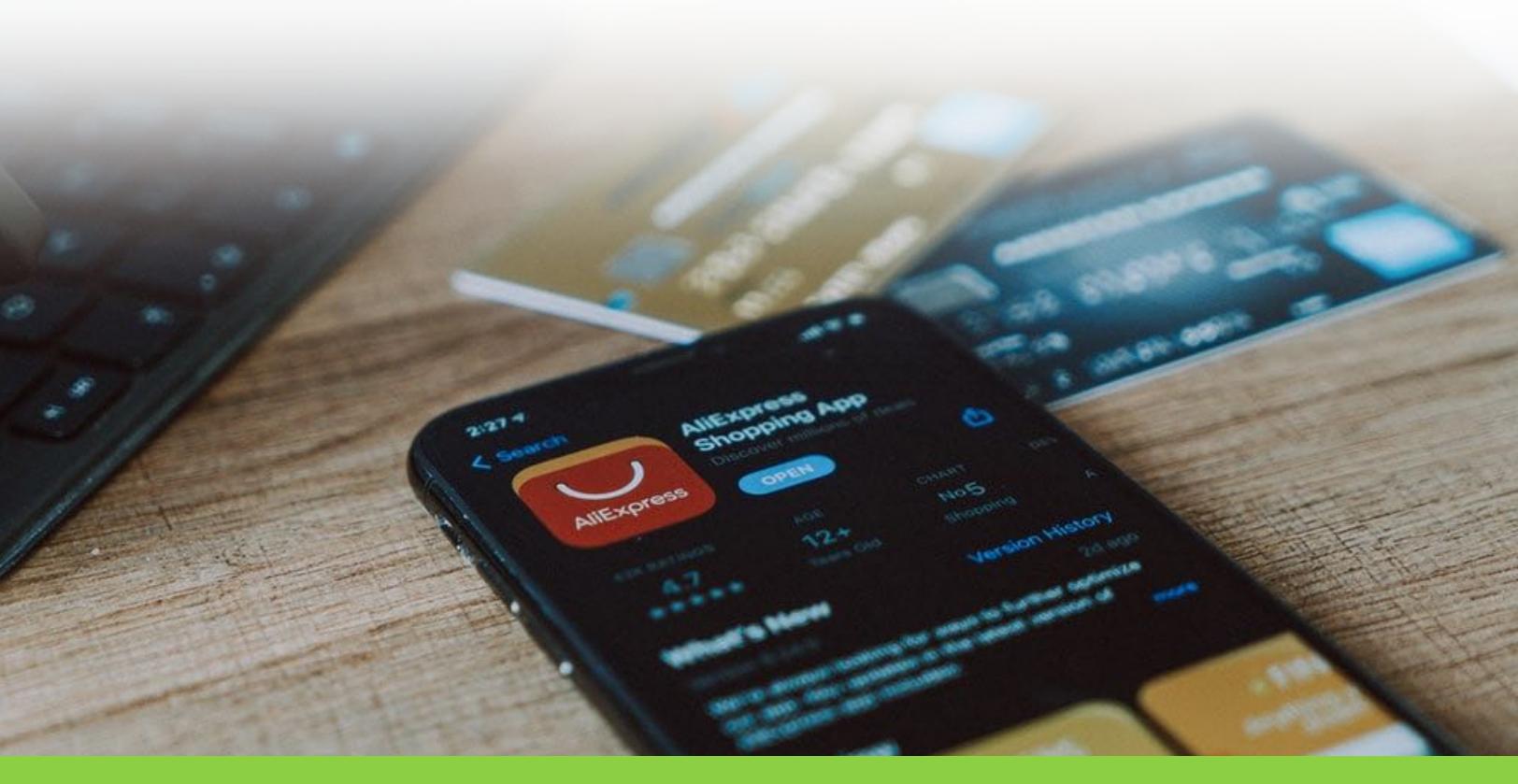
# The Case of Spend vs Save

You're on TikTok, and "Online Shopping Finds; Part 967 of 1000" pops up on your For You page. Before you can even decide if you want to continue watching, you see it: a product you really do not need. A product that if you did not have it in your life, you would still be okay; and a product that none of your friends or family have, and if they did - it was probably from TikTok. Yet, you still decide to buy it. Why? Well, why not?

The pandemic has done a number on our lives. Whether it be significantly decreasing our social activity to increasing our social media use, one way or another, our lives have changed. One of the biggest changes is the increase of online shopping - specifically impulsive purchases.

Impulsive purchases are the fault of our brains. When we buy something, our brains release a chemical that makes us feel extremely excited. We cannot stop checking the progress bar, or every day we check our emails for updates. But then, when we receive our package, that feeling goes away. Think about it, were you not more excited to get your package compared to when you actually received it? The cycle continues with our next purchase.

Understanding that impulsive purchases are only temporary feelings begs the question, "Should I be Saving or Spending?" Expenses such as commuting are significantly cut back for some people. This allows them to have more money to spend. However, some may have found an increase in expenses. For example, those with children may have had to spend more on childcare. Necessities aside, what should we be doing with the money we can freely spend?





Everyone will have different opinions on this. Some people will tell you to save it. However, the majority of us never predicted the pandemic. Who knows what else might happen?! Others will tell you to invest it into stocks, bonds, or the new digital cryptocurrency Elon Musk is posting on Twitter. The real answer is, like all things in life, you need to find a balance.

Balance does not need to be 50/50. Sometimes, your true balance can be 30% spending and 70% saving. Your balance will change during different times of the year or any life events that may happen. Spending your discretionary income so that it does not eat into your savings but is not just sitting there doing nothing can be a challenging task at first. With careful planning and careful budgeting, it can be possible.

Impulsive purchases, spending versus saving, what is right? The conclusion: there is no right or wrong answer. It is all about balance. Maybe on a good month, you are able to buy overpriced bubble tea. Other months, it could be tighter. Balance is what you are looking for. Taking steps to learn about personal finance and budgeting can help you find that balance. As students, it can be daunting learning about such skills. But is not a skill that will help us significantly in life?

## **Summer Term 2021 PASS Sessions**

If you are experiencing difficulty in the following courses:

- ADMS 1500
- ADMS 2510
- ITEC 1620

then Peer Assisted Study Sessions (PASS), are for you!

Take advantage of them. And you know what? THEY ARE COMPLETELY FREE!

To participate in Online PASS sessions this summer, please do the following: Sign up at this link: <http://www.yorku.ca/newcol/forms/view.php?id=150>

If you have questions, send an email to Lorraine Myrie at [lmyrie@yorku.ca](mailto:lmyrie@yorku.ca)

## Examples of Frauds and How to Avoid Them:

We live in an era where all the information about a person can be found easily. Whether it be the name, the phone number, or the address, anyone can find them easily. Unfortunately, some ill-intentioned people can use this information against you to steal your money or use your identity to commit crimes. As someone who has been a victim of fraud recently because of my ignorance, I decided to raise awareness about this matter by giving examples of some widespread forms of fraud and tips to protect yourself.

### 1) Tax Scams:

You get a text message or an email from the Canada Revenue Agency (CRA) claiming you're entitled to an extra refund, and all you need to do is provide your banking details. Watch out! This situation is exactly what a tax scam would look like. Another variation is that they call you to say that you owe the CRA money and that you need to pay right away, or else they will report you to the police.

How to detect this kind of fraud: The CRA will never use aggressive or threatening language or even threaten you with arrest or sending the police. They will not use text messages to communicate under any circumstances. Emails from the CRA never provide financial information or ask for them.

### 2) Identity Theft:

Scammers are always on the lookout to collect or reproduce your personal information to commit fraud. Thieves can make purchases using your accounts, obtain passports, receive government benefits, apply for loans, and more while using your identity. This could turn your life upside down.

How to avoid this fraud: Avoid public computers or Wi-Fi hotspots, such as in coffee shops, to access or provide personal information; they put you at risk. Use a secure and reputable payment service when shopping online, and look for a URL starting with "HTTP" and a closed padlock symbol. Avoid giving out personal information on social media. It can be used along with your pictures fraudulently.

### 3) Subscription Traps:

A subscription trap can trick you by offering "free" or "low-cost" trials of products and services. Products commonly offered are weight loss pills, healthy foods, pharmaceuticals, and anti-aging products. Once you provide your credit card information to cover shipping costs, you are unknowingly locked into a monthly subscription. Delivery and billing can then be difficult, if not almost impossible, to stop.

How to avoid this fraud: Before you sign up for a free trial, research the company and read reviews, especially the negative ones. The Better Business Bureau is a great source of information. Do not sign up if you cannot find or understand the terms and conditions. Pay special attention to pre-checked boxes, cancellation clauses, return policies, and any vague charges.

### What to do if you are a victim of fraud?

Whether you've been scammed or targeted by a fraudster, you should always report it. Canadian authorities may not always be able to take action against scams, but there are ways you can help. By reporting a scam, the authorities may be able to warn other people and alert the media to minimize the chances of the scam spreading further. You should also warn your friends and family of any scams you come across.

Here are some helpful numbers to use in that situation.

Canadian Anti-Fraud Centre: [www.antifraudcentre.ca](http://www.antifraudcentre.ca)

+1 888 495 8501

Credit bureaus can put a fraud alert on your account, which will alert lenders and creditors of potential fraud:

Equifax Canada 1-800-465-7166

TransUnion Canada 1-866-525-0262

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