

# Save More, Worry Less...



During times of economic uncertainty, people tend to save money rather than spend it. This has been especially true during the recent downturn, which spawned a Canadian personal savings rate of 4.7 percent—that's almost a 75 percent increase over the 2007 savings rate and the highest mark since 1992. Canadians across the country are rediscovering the importance of saving and budgeting during the good times and the bad.



## 7 Easy Steps TO CREATE A BUDGET YOU CAN LIVE WITH



**Creating a budget is crucial to keeping your financial house in order. Use the following tips to organize your finances and keep track of your money:**

1. Gather all financial documents like bank statements, investment accounts, recent utility bills, etc.
2. Record your total income as a monthly amount.
3. Write a list of all the expected expenses and payments you plan to make in a month.
4. Break expenses into two categories: fixed (stays the same every month) and variable (lifestyle expenses that change from month to month).
5. Total your monthly income and monthly expenses. If your income exceeds expenses, put excess money toward other things like saving, paying down debt and/or starting an emergency fund.
6. If your expenses are higher than your income, adjust your variable expenses first.
7. Review your budget on a regular basis to make sure you are staying on track. After three months, review your expenses for each month. Pick the month where you did the best staying within your budget and try to emulate that same spending for another three months.

## Simple Tips FOR GROWING YOUR SAVINGS



Regardless of the state of the economy, paying yourself is a must. Here are great tips for growing your savings:

1. **Establish an emergency savings account.**  
In the event of an emergency, having money set aside will prevent you from dipping into your retirement or long-term savings. A general rule of thumb is to set aside money equal to three or more months' worth of living expenses.
2. **Save money for your long-term goals.**  
Saving becomes easier when you have a goal to work toward. If your employer matches a portion of your retirement contribution, you are passing up free money if you don't take advantage.
3. **Make savings automatic.**  
A portion of every pay cheque should go directly into your savings account. Your bank can set up an automatic transfer for you.
4. **Start small if necessary.**  
Even if you can't afford to put a lot toward your savings right away, starting small will still establish a savings routine, even if it's only \$25 a month at first.
5. **Comparison shop for the best rates.**  
Search for the best savings rates available. A high yield savings account can double your interest.
6. **Turn a payment into savings.**  
Once you've paid off each credit card or loan, add that payment amount to your monthly savings amount.
7. **Save your windfall.**  
If you receive an inheritance, a tax refund or a bonus at work, don't spend it just because you have it. Money set aside now will reward you later—and with interest!

