

P E R S P E C T I V E S

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Financial Planning

Saving – your pennies and your peace of mind!

By Brittany Kothlow, Client Services Coordinator

As Administrative Assistant Meghan Jones showed last month, budgets are the essential foundation for helping us reach our goals, both short- and long-term. Budgeting helps us clear the fog away and realize exactly how much we are making, after tax. We see where our money is going – and where our money should be going.

So, now that you have identified your fixed and variable expenses, it is time to evaluate! Suppose the money coming in covers neither what is going out in expenses nor your savings goals. You have two options: Boost your income or lower your expenses. Here's where you may need to make some tough decisions and scale back on some of your spending.

Let's examine some ways to control spending so that you can reach your savings goals and look after your future self.

First, create a **SMART** goal: **S**pecific, **M**easurable, **A**ttainable, **R**ealistic and **T**imely. When you have a clear vision for yourself, saving becomes easier, and turning down purchases here and there will not feel as difficult. Short-term pain for long-term gain!

There are many ways to do this. Say you are really bad with your cash and could use some extra discipline. We recommend separating your monthly funds into envelopes or jars for each category of your spending. Then, if your funds for dining out are gone by the end of the month, it's time to crack open the cookbook or the Pinterest boards and experiment.

That being said, if you're the type to misplace things, envelopes are probably not the best method. Luckily, in today's world we have many incredible resources literally at our fingertips. There are some wonderful apps out there to help you track your spending and input your savings goals. However, we recommend doing your research before diving into any of these.

Here's another simple way to save. If your paycheque gets sent to your savings account each month, you can easily set up automatic monthly withdrawals that go into another account. Out of sight, out of mind!

There are other, less direct ways for saving your money. One tip we recommend is meal planning and then transferring those plans to a grocery list. So, when you go to the grocery store, you have a plan to stick to. You're not roaming through the aisles and on a whim buying a mix of things that might not add up to meals over the week. Another thing to keep in mind at the grocery store is the premium price put on brand-name products. Try the no-name brand when you can. And did you know that LED bulbs can save you money on your electrical bill?

What this all comes down to is making conscious decisions now that will

set you up for success later. Those saved pennies add up. Even the little decisions you make can affect how much money you will have for future purchases – and right through to your retirement.

We have one basic rule for you: Pay yourself first. Saving is the first priority on the list. Figure out what is reasonable for you and put that away each month. Once you choose the method that will work best for you, saving will be more straightforward.

Most importantly, you need to be realistic. Reward yourself! You may start out refraining from buying fun things, but that's going to be impossible to maintain. Treating yourself once in a while is the only way the light will stay bright at the end of the tunnel. With these tips in mind, your savings pile will add up faster than you may think. ■



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