



Saving a little can go a long way – Tips on making your paycheque go further

If you are like many Canadians, you understand how hard it is to put aside money for a rainy day. Caught between rent or mortgage payments, car loans, credit card payments and a night out on the town, it can be hard to save enough money to realize life's financial goals.

However, if you are able to save even \$18 a week by cutting back, and invest that money starting at age 30 in a balanced mutual fund that averages a six per cent annual return, over 35 years, you will have earned approximately \$119,235!

HERE ARE SOME EASY TIPS TO HELP YOU FIND WAYS TO SAVE.

1. Life's little indulgences can really add up

You've likely heard this one before, but skipping your morning coffee at the local barista can really add some heft to your wallet over time. Avoiding five gourmet coffees a week at \$4.50 each can save you about \$22.50, or approximately \$1,170 a year.

2. Get smart - with that card

If you use credit cards, be sure to pay your bill on time. By paying off your credit card monthly, you can avoid interest costs. Credit cards generally charge anywhere from 10 to over 20 per cent interest, and the cost of carrying that debt can really add up over time. At 20 per cent interest, your debt could double in as little as 3.6 years!

Many credit cards now come with a wide range of features and potential benefits. Those credit cards that offer points can be very popular, however, the points that are often offered may not be worth it when you consider their generally high interest costs and annual fees.

3. Consider "used"

If you are in the market for a car, it may be tempting to jump on a lease deal advertised in your local paper. Everyone loves the look and feel of a brand new car, but the old adage that a car loses value the moment you drive it off the lot should be enough to cause you to pause. You can literally save thousands of dollars by buying used, so it makes sense to either contact your local car dealerships, car broker or search online for a private sale before you buy.

4. Shop around

Every few years you should shop around to make sure you are being offered competitive rates on your monthly services such as internet, home phone, cable, car insurance and even your credit cards. Also, when it's time to renew your mortgage or line of credit, financial institutions will often match a competitor's rates, so shopping around could really pay off in the long run.

5. Use your local library

Your local library is a great way to get your hands on the latest novel you've been wanting to read. Many libraries now carry current DVD movies and computer games that can keep you and your family entertained for hours. What's more, they are usually free and tend to have a more generous return policy than your local video store or online provider.

6. Who's walking your pooch?

If you're a dog owner leading a 9-to-5 lifestyle, perhaps you've hired a professional dog walker to make sure your pooch gets his/her mid-day break. At approximately \$15 and up for a one-hour walk, that can really add up over time. Assuming 20 walks a month, that's approximately \$3,600 a year, or \$36,000 over a 10-year span. As an alternative, consider speaking with parents of children in your area. You may find that one of their kids would love an opportunity to take your pooch out for a quick lunchtime walk at a more reasonable rate.

7. Culture on the cheap

If you're already experiencing cabin fever from cutting back on your nights out on the town, there are still lots of ways to get out of the house without breaking the bank. Be on the look out for free or lower-priced events like art galleries, museums, restaurant openings and theater. Just because you are cutting back doesn't mean you're automatically stuck watching reruns on a Saturday night.

8. Coupons, coupons, coupons

Many stores now post weekly sale items on their website you can print off to help you save money. Signing up with an internet based coupon company can also be handy as you can find deals on entertainment, restaurants and a wide range of products and services in your area.

NEXT STEPS

Your next step is to take a closer look at where your money flows every month. Finding a little to save now can add up over time. If you can save 10 per cent of your after tax income and invest that money, you could very well be on your way to a comfortable retirement. And as the above tips illustrate, saving money can be easier than you may think!

Setting up automatic payroll deductions is the easiest way to save before you spend. Funds are automatically withdrawn from your paycheque and deposited into an investment that is chosen by you. For more information on how to make the most of your savings through payroll deductions, speak to your HR.



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