

Let's Talk

SAVINGS

Saving money is a skill we all wish we were better at. The Coaches at Libro have pulled together ten simple steps to help you hone your savings skills.

- 1. Set Goals** – Put a plan in place so you have something you are working towards. A Libro Coach can help you determine the monthly amount you need to save by discussing the overall goal, your priorities and the time frame.
- 2. Pay Yourself First** - Put money aside before you even realize you have it! By setting up an automatic transfer on your payday, money will start to add up in your savings account without the feeling of being deprived.
- 3. Take Advantage of Tax Deductions** – Make regular RRSP contributions to achieve tax deductions on your annual income taxes. By being organized and knowing your options, you could receive hundreds of dollars back which could go straight into savings.
- 4. Borrow Smart** - Be aware of interest rates. Calculate how much extra you're paying on a purchase when you take into account the interest on the loan. Is it really worth paying an extra 10 to 20 per cent for that big screen TV or Caribbean cruise? Use credit wisely, and if you're trying to reduce your debt, consider consolidating credit cards or other loans into one lower interest loan.
- 5. Save the Extras** – Put unexpected money, such as a birthday gift, or a year-end bonus, directly into savings, instead of spending it. Every little bit adds up.
- 6. Simplify** - Evaluate everything you spend your money on. For example, an innocent four dollar latte each day adds up to \$1,460 a year! Review how much you're spending on non-essentials then consider whether your money would serve you better elsewhere.
- 7. Pay with Cash** – Use cash to be more aware of where your money is going. When you're swiping a debit or credit card, you may not be keeping track of the amount, compared to when you are counting actual dollar bills. Also, by limiting yourself to what's in your wallet, you are less likely to make impulse purchases.
- 8. Shop Local** – Shop in your own community to save money. Choosing local vegetables from your farmers' market not only saves money, it also helps the local economy.
- 9. Understand your Finances** - Financial issues can be complicated and stressful. A Libro Coach can help take the complexity out of finances, by explaining products and services in a simple, straightforward manner, so that you can make important decisions with confidence. By working with your Coach, you can save more, invest smarter and pay off debt quicker.
- 10. Stick With It** – Develop good savings habits that will serve you for years to come. Saving money may be a challenge at first, but if you remain committed, it will eventually become a valuable routine.

