

Spending and Saving



To reach your financial goals, and get the most out of your money, becoming a smart spender and saver is essential. This doesn't mean depriving yourself of the things you love, but simply looking for ways to take control of your wallet. Here are a few spending and savings tips for you to consider:

Double check. Before you spend, ask yourself, "Do I need this, or do I want this?" "Want" items are easier to live without.

Build good credit. A good credit rating is something you'll need if you want to purchase a home, car or other big-ticket item. It can be extremely hard to get back out of serious debt.

Shop with cash. Rather than just swiping a plastic card, pay for as much as possible with cash. Our brains can process the loss when we pay with cash but not when we pay with plastic. This can help reduce impulse spending on things you don't need.

Make a list. Make a shopping list and stick to it! Don't get distracted by other things on the shelf. If you needed them, they would already be on your list.

Set a budget. A budget can help you track where your money is going each month and help you save money by showing you where you may be overspending. A good starting point is to review your bank statements and receipts to see how you're actually spending your money. Often we underestimate what our actual spending level is.

Know what you can afford to spend, and stick to a spending plan to keep your finances in check. Ask yourself if this purchase fits into your budget. A budget and spending journal can help!

Plan for rainy days and emergencies. You should put at least 10% of your pay cheque into a savings accounts. If that doesn't fit in your budget at the moment, set a lower goal and work your way up until you are on track to build a savings or emergency stash you are comfortable with.

Save for the long term. Retirement may seem like a long way away, but savings do not grow overnight. Start as early as you can by opening an RRSP, a Tax-free Savings Account, or another long term savings plan to help ensure you can live your retirement years in financial comfort. Don't turn down free money - take advantage of any matching program that your employer may provide for pensions or long term savings plans. Learn more about RRSPs and TFSAs in this blog post.

Make saving automatic. Set up automatic transfers with your bank to move a certain amount of money into a savings account. By having the savings transfer on pay day – you'll be less likely to spend the money elsewhere. Try to limit or avoid transaction fees on automatic transfers – they can add up quickly!

Cut costs. There are some easy ways to cut costs around the house. Wash your clothes in cold water, put up a clothes line, install a programmable thermostat, and unplug devices and charging cables when they're not in use.

Check out other great financial literacy tips at our members' websites.
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