



# Common Cents

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## How to Improve your Credit Score

The New Year is the perfect time to get your free yearly credit report from Equifax or Trans Union. Here are a few tips to help keep your credit in top shape:

- Pay your debts in full each month.
- Avoid getting too close to your credit limit, try to be at least 75% below your maximum.
- Avoid applying for more credit unless it is absolutely necessary.
- Look carefully at your report and address any errors or any suspicious activity.
- Pay all bills on time, every time.
- Talk to a credit counsellor about your options!

## Tech Tidbit

Looking to cut your cable costs in 2015? Many are turning to streaming services like Netflix to do just that.

While a streaming service may help reduce your monthly cable bill, it is important to consider your internet package before fully cutting the cable.

Streaming services provide content over an internet connection. Because of this, every time you access these services you are using your internet bandwidth. According to the Netflix FAQ, 1 hour of HD video is equal to 3GB of your monthly internet package. Based on a 125GB internet package, you would have about 41hrs worth of video time per month. This isn't including personal surfing, and video content like Youtube.

In some cases, you may be running close to your maximum internet usage with the possibility of going over, causing unexpected and unplanned costs to build up, making the financial reward of cutting your cable less appealing in the long run.

## Presentations offered for 2015

As the local experts in credit and debt management, we are happy to continue offering informative presentations to the community. These presentations can be tailor-made to fit your diverse needs. Our presentations are dynamic, relevant, and straightforward. Our presentations run between 60 and 90 minutes in length.

We offer presentations to elementary and high schools, post-secondary schools, community organizations, and local businesses. Below are just a few of the great presentation topics we cover.

**Budgeting and Money Management:** Participants will learn; how to develop a money management system, the importance of tracking expenses, how to review your credit report, how to set a savings goal, how to use credit wisely and how to avoid debt problems.

**The Cost of Credit:** Participants will learn the various types of credit and corresponding rates of interest, the implications of paying only minimum payments, how credit reporting works and impacts their ability to borrow, and how to get out of the credit cycle.

**Agency to Agency:** This presentation is intended to highlight the services that our agency provides and how our services can be aligned with the those provided by your business or agency to meet the needs of clients. *These presentations are intended for staff.*

**Layoff Transitioning:** This presentation will look at all aspects of money management, helping to reduce stress and reducing the need to rely on credit during layoff circumstances.

**Retirement Transitioning:** This presentation looks at the long-term planning of living on a reduced income and the importance of money management into retirement. This presentation takes a holistic approach and addresses ideas of budgets, savings, and credit/ debt.

For more information on these, and other, presentations or to book a presentation, please contact Matthew Keenan at **(705) 254-1424** or by email at [matthew@creditcounsellingsm.ca](mailto:matthew@creditcounsellingsm.ca)

## Financial Goal Setting for 2015

Another year brings about the inevitable resolutions. When planning your resolutions for the year be sure to include a few financial goals. They don't have to be big, but they also can't be so small they become insignificant. When setting a goal, financial or otherwise, you may want to adopt the common SMART goal formula.

Make sure your goals are **Specific**. What is it that you actually want to do? Save money, or payback debt are great goals but, they are not very specific. Which debts? Save for what? Specific goals allow you to define and declare your goals. We often want to say we will get fit, but lack a definition of what fit is. We all want to save money, but why or for what? These specifics allow us to know that what we are working for is something tangible and not just an idea. When setting specifics, ask yourself: Who will be involved? What do I want? Why do I want this?

Make sure your goals are **Measurable**. This is the numbers side of being specific. How much do you want to save? How much debt will you pay back this year, how much will it cost each month? By making your goal measurable, you have a goal post to get to. Because you have an "end" point, you have something more concrete to work towards and feel success when you get there. Ask yourself many 'how' questions. How will you know when you have reached your goal? How will you measure progress?

Make sure your goals are **Attainable/ Affordable**. Goals that are attainable are those that are realistic and actually possible to achieve given your circumstance. Goals will require you to stretch beyond what you do on a day to day basis but will not cause you to do anything too extreme. Attainable goals are always just within reach which helps us grow. Ask yourself how the goal can be accomplished and how realistic is the goal based on your circumstance. The best way to help answer this question is through setting up a comprehensive budget that includes all of your financial obligations, including money set aside for your goal.

Make sure your goals are **Relevant**. Relevant goals are those that make sense to you and will have an impact on your life in a positive way. Relevant goals also hold a high priority in your life. Is going on a vacation a higher priority than a new TV? What about saving for your child's education or getting out of debt? Ask yourself, "if this is the right time for this goal? Will this goal allow me to do other things once I accomplish it? Does this goal make sense for my family in the long run?"

Make sure your goals are **Time-Oriented**: One of the biggest problems with setting goals is that we don't give ourselves enough time, or we are too ambitious and want to accomplish the goal too quickly. For a goal to be effective you have to have an end date that is reasonable. Ask yourself, "when do I want to accomplish my goal by?" Use this end date to determine how much you actually have to save to accomplish your goal.

By using these five key elements of goal setting, your 2015 financial goals will have a greater likelihood of success. Just stating you want to save money or pay down bills isn't enough. Stating you want to save \$100 a month for 11 months so you can buy your Christmas gifts in cash instead of using credit is a good example of setting a SMART goal.



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Since 1969, Credit Counselling Service of Sault Ste. Marie and District has been providing assistance to the people of Sault Ste. Marie who are experiencing the stress of financial difficulties. This non-profit, registered charity, and United Way Member Agency helps people from all walks of life. There are no fees for debt and money management counselling sessions. Professional counsellors work with clients in a relaxed and fully confidential manner. The Agency is an accredited member of the Ontario Association of Credit Counselling Services and the Canadian Association of Credit Counselling Services.

*While the information herein is believed to be accurate, Credit Counselling Service of Sault Ste. Marie & District assumes no responsibility for errors, omissions or actions based on this information.*

