



Common *Cents*

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Money Basics For Seniors

We have recently received funding through the TD Financial Literacy Grant Fund to provide financial education specifically for seniors. As a result of this funding, we have been busy consulting with the senior community and creating our new work book titled, Money Basics for Your Senior Years. This work book is aimed at helping seniors, and those preparing for retirement, navigate the often difficult financial waters. We are happy to report that this publication is currently being printed and we will have copies available to the community soon.

If you or your organization would like copies of this publication, please feel free to **contact Matthew Keenan at (705) 254-1424** or by email **matthew@creditcounsellingsm.ca**

We have also used this funding to develop a new series of educational presentations/workshops designed specifically for seniors and people preparing for retirement. These workshops will focus on specific elements of retirement finances. If you or your organization would like to hold a Money Basics for Your Senior Years presentation, please again **contact Matthew Keenan at (705) 254-1424** or by email **matthew@creditcounsellingsm.ca**

The Full Cost of Rent-to-Own

Renting-to-own sounds so attractive, it allows you to use an item today while making payments over a specific time period. But, is it worth it? If you were to get a 39"HD TV, it would cost you approximately \$17 per month over 3 years renting to own. This is a total cost of \$2,652, not including tax and fees. That same TV can be purchased at a department store for \$563.87 including taxes. If you saved \$80 per month you could buy the TV outright in approximately seven months and save yourself over \$2,000.

As you can see, it pays to wait and buy the TV outright rather than renting-to-own. Also, ask yourself, "will this TV still be in good shape by the time I have it paid off?" before renting-to-own.

Tech Tidbit

Tracking your expenses doesn't have to be difficult. With an iPhone app called Wally, all you need to do is take a picture of your receipts as you live your life. With a bit of user input, the app will be able to track where you are spending and how much. Knowing your spending habits is a key part of building a budget that works, and an important part in reducing your out of pocket expenses.

Wally will help you keep tabs on everything from meals out, to trips to the grocery store, allowing you to plan your next month's expenses. Wally lets you set budget limits for specific expenses and will track how close you are to going over that limit. The app allows you to set reminders and alerts when you are getting close to going over your set spending limit. Sometimes that gentle reminder (especially when shopping alone) is all it takes to reconsider a purchase and help keep your money in your pocket.

Thinking about Spring Spending

As the snow starts to melt, many people start to think about landscaping and yard maintenance. It does not take long for the costs to add up once we start looking at flowers for the flower beds, shrubs or trees. Also, we must consider the costs to fertilize the grass or the cost to hire professional lawn care companies.

Unfortunately, most people put these costs onto a credit card and then make monthly payments which can take years to pay back. Instead, these costs should be budgeted and saved for, as they are living expenses and not something that should be borrowed for.

Think about all that needs to be done and make a list of jobs. For each job, break down what you will need to accomplish it, i.e. paint, brushes, rollers, etc. Use this list to help you find deals and shop the flyers. This time of year many cleaning and home improvement supplies will go on sale. Buying what you need over time can help you save money here and there instead of paying a premium to get the job done today.

Also, identify those jobs that need to be done for security, safety, and maintenance purposes. These are the jobs that should be covered first, because if they are missed, you could potentially be on the hook for a larger emergency repair down the line.

Estimate the cost of each job, including tax and all supplies. Add up the cost for all jobs and divide by the number of months you are giving yourself to get them done. This number is what you will need to save each month from now until the late fall to be able to cover the cost in cash. If this number is out of line with your income, you may have to reconsider your job lists and cut back where needed.

If a DIY spring landscaping job that costs \$1,500 for materials and tools is put on a store credit card with a 28.9% interest rate, it could end up costing you \$6,093 and take 21 years to pay off, if you only covered a minimum payment of \$15/ month, and never used the card again, which is unlikely.

With some simple planning, and building a budget, this spring you may be able to avoid being flooded in credit debt while making sure you cover those spring cleaning jobs.

Small Leaks Sink Ships

When you are setting a budget, don't forget to include all of those pesky "small" expenses like a \$2.00 coffee or a \$1.50 chocolate bar. While they may not seem like a lot at the time the numbers add up. If you bought three coffees and one chocolate bar a week (including tax) you would be looking at spending \$440.70 over the course of the year. Imagine how far that \$440.70 could go to paying off your Christmas gifts or December heating bill. You could even be well on your way to buying that TV from the previous example. Thinking about the little things also means you won't have a \$440.70 hole in your budget that could cause your budget to fail over time. Tracking these expenses and planning for them will help you stay on budget and still enjoy the little things that make your day.



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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.

