



# Common Cents

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## Your Money, Your Retirement Presentations

The first of a number of seniors presentations we are giving throughout the community is set for **July 21st** at the Sault Ste. Marie Public Library Main Branch. The presentation will run **12:00 to 1:30** with ample time to ask questions.

This presentation will explore how money changes in retirement, the added cost of debt, the importance of budgeting and information on dealing with credit as a senior.

Our second presentation is scheduled for **Aug 11th** from **12:00 to 1:30** at the Sault Ste. Marie Public Library Main Branch. This second presentation will be partnered **with the Sault Ste. Marie Police Department** to discuss the financial *scams and traps* that many of our local seniors face each year. Come out to learn how to identify scams and traps, as well as how to protect yourself, and the financial cost these scams and traps may have.

### **Sandwiches and refreshments will be provided at both presentations.**

These presentations are designed to meet the varied needs of seniors in our city and the surrounding area.

If you are interested in hosting a presentation dealing with seniors' financial issues please feel free to contact **Matthew Keenan** at **705-254-1424** to set up a date and time. Matthew can also be reached via email at [matthew@creditcounsellingssm.ca](mailto:matthew@creditcounsellingssm.ca)

## (Low)Tech Tidbit

These days technology is all around us. Often, this technology is designed to make our lives easier, and in many ways it has.

Debit and credit card technology in the last few years has made it increasingly easy to spend money with little thought to how much you have spent, and how much you have left. Technology like *paywave* lets you simply "tap" your card and go.

However, going to a cash only payment system can be just as fast and it allows you to take the time to think, "Is this expense really worth it?" Having to physically hand over money for an item helps to limit spending by cutting down on impulse shopping.

Give yourself a weekly allowance and leave the cards at home. Write down what you spend your money on for a month and then calculate the difference between using your cards vs. cash.

In most cases you will see that by simply using cash you will have cut down on your spending helping to make that dollar go further.

## Buy now, Pay later

With summer comes summer projects. But, if you are buying your materials, or backyard furniture, on a buy now pay later basis make sure you know the contract you are signing. Many people who use a buy now pay later service don't save the money to pay up at the end of the term. This often results in heavy interest charges being applied to the goods. Any time interest is applied, you end up paying more for the item than you originally planned to. If you bought materials for a good size deck for \$2,500 and didn't have the money to pay back at the end of the term, you could face interest charges of 28.8%. It could take you 33 years to pay off your deck (by which time you would have to build another) and cost you \$9,011 in interest making your \$2,500 deck cost in total \$11,511 and over 3 decades of your life to pay back. A little planning can save you thousands of dollars in the long run.

## Saving for rainy days

Like with weather forecasting, we can predict that financial “rainy days” will happen. We don’t always know when they will happen, but we can be prepared to weather the storm when they do.

For many, the thought of saving money seems impossible, but the old adage, something is better than nothing does hold true. Below are some tips to help kick start your savings plan.

**Make savings an expense**– When building your budget, make sure you think of your savings as an expense to be paid each month. If you budgeted \$15 or \$25 for savings, make sure you “pay” that expense when you get paid. That way you are more likely to follow through.

**Make it automatic**– By having your savings automatically come out of your chequing account on the day you get paid you don’t even have to remember to move the money. This makes your savings system automatic and you can be sure you never miss a payment.

**Plan for irregular expenses** – Irregular expenses happen in everyone’s budget, but often we don’t plan for them. An irregular expense is something that happens infrequently but you can expect to pay for it at some point. For example, new tires and car repairs are irregular expenses. By owning a car or truck you can expect to have to buy these items at some point. Insurance or property tax, if not billed monthly, are examples of irregular expenses. You know how much they will cost and they happen a few times per year. Put aside some money each month for them and you won’t have to rely on your “rainy day” fund, or worse, your credit cards, to cover the cost.

**Know the difference between *emergency* and *irregular***– Many people see irregular expenses as emergencies and use their emergency fund to cover these uncommon expenses. Emergencies are events that happen unexpectedly and unpredictably. Your car being in an accident is an emergency because you don’t expect to be in an accident and have to pay for it. A trip to Toronto, because a family member unexpectedly went to the hospital, would be an emergency. These expenses are the purpose of having a “rainy day” fund. Many suggest trying to have at least 3 months of expenses saved to cover longer term emergencies like losing your job.

**Make your savings work for you**– Your “rainy day” fund should be accessible but that doesn’t mean you can’t let interest do its work. Talk to your bank or financial planner about setting up a TFSA or other interest generating savings accounts to make the most of the money you automatically put away.

Remember, putting something into a savings account is better than putting in nothing. A little can go a long way.



### **Credit Counselling Service of Sault Ste. Marie & District**

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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.*

