



# Common Cents

Winter 2014 Volume 18 Issue 1

## Senior Financial Literacy

We are very excited to announce that we have received a grant from the SEDI/ TD Financial Literacy Grant Fund, to provide a new and innovative financial literacy program for area seniors.

With this grant, we are going to be creating a new financial literacy publication as well as a series of presentations to local seniors. Both the publication and the presentations will address important, timely, and fundamental information on managing money in retirement.

Managing money in retirement is different from managing your money while you are working. Unfortunately, many seniors in Ontario are struggling with how to ensure their savings last the entirety of their golden years and thrive while doing so. The Vanier Institute of the Family have reported that senior bankruptcies have increased 1,747% over the last 20 years, and just recently the OECD has warned that poverty among seniors is on the rise in Canada.

Our goal through this grant is to help educate seniors on the wise use of money, how to manage debt, and navigate the complicated financial world.

If you are interested in attending, or hosting, a presentation please feel free to contact Matthew Keenan at (705) 254-1424. These presentations are free to host and free to attend.

## Winter Money Savers

By doing relatively cost effective, and easy, home repairs you can help keep your hard earned dollars in your pocket. Programmable thermostats have come a long way in recent years and in some cases are even controllable via your smartphone. Reducing the temperature automatically can help save you realistically 6-10% on your heating costs by not heating empty or unused spaces (like when you are at work).

If you have drafts, or windows that don't seal fully, a bead of removable caulking can help keep the cold out, which in turn will require you to heat less. Also, using insulating window cling can help keep the cold out if you have older, single pane windows.

Keep your furnace running at its peak performance by doing simple filter maintenance throughout the winter. A dirty filter means your furnace has to work harder so you can get the same benefit. A more free flowing filter increase efficiency.

Just by doing these simple fixes you can work to reduce your winter energy bills while keeping you and your family warm.

## Tech Tidbit

There is no better time then the New Year to start looking at your budget in earnest. Setting up a strong budget really is like pouring a strong foundation upon which to build a home.

There are a few apps out there that can make the daunting task of budgeting easier, and in some cases even fun. Check out these three.

### [Mint.com](#)

Mint.com is often referred to when looking at apps and net connected ways to manage your costs. Mint allows you to track your spending over time, set spending limits, and receive alerts when bills are due or as you reach your pre-determined spending limit, allowing you to stay on target and curb your expenses.

### [Betterhaves](#)

This Android app allows you to set up a virtual envelope system, which is a common money management technique. What makes this app so interesting is that it links you and your better half's spending to help keep you both on track each month.

### [Financial Forest](#)

The goal of this app is to help you save up one month's emergency expenses. A great app to set up savings behaviour. Again, for Android.

## Setting Money Resolutions

While your New Year's resolution may already have gone by the wayside, it doesn't mean that you can't set, and stick to, a money resolution for 2014.

A money resolution is simply a long term plan for what you want your money to do for you this year. Pay down credit cards, sock some away for savings, buy a new car, replace your windows? Whatever you want your money to do is a personal choice.

Setting the goal is easy, just like coming up with a New Year's resolution, it is the follow through that is so difficult. But, this doesn't mean it is impossible, to increase your success at reaching your money resolutions, follow these simple steps.

### Step 1: Make your goal realistic.

Take stock of your current situation. Do you have a mountain of debt, are you looking for work? Your current situation will tell you a lot about your money, and may help you identify a goal. If you are dealing with a significant amount of debt, is saving for a down payment on a car a good idea? Using your current situation will help you restrain your goals. By having realistic goals, you are more likely to reach them, which will then spur further goal setting.

### Step 2: Set mini goals.

By having a set of mini goals that go together as part of a larger goal, you help to motivate yourself. By accomplishing these smaller goals they help to make the overall goal less daunting. For example, if your overall goal is to buy a house, a set of smaller goals could include, cleaning up your credit report, saving for a down payment, and saving for moving costs.

### Step 3: Look at the numbers.

To make your money goal work, you need to take stock of how much your goal will cost, and when you hope to accomplish your goal. Take your cost and divide by the number of months, or pay periods, between now and then. This number will be the amount you need to save each month to reach your money resolution. For example, if you want to buy an iPad this July you would have to save \$80.00 each month ( $\$499 + \text{tax} = \$564 / 7 \text{ months} = \$80.00$ ). If this number isn't going to fit into your budget you will have to revise the length of time you are willing to wait for your goal. Put the same iPad on credit card today, never use that card again, and pay the minimum payment, it will take you 10 years to pay it off and cost an extra \$672 in interest. Not to mention, it will be obsolete long before you have paid it off.

Setting goals and saving for them may defer the satisfaction you get from purchasing an item, but in the long run, by following the above steps, you are able to not only achieve your goals, but also save money in the process.



### **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.*

