



# Common *Cents*

Winter 2016 Volume 20 Issue 1

## Money Resolutions

With the New Year comes the annual tradition of making a resolution to live by for the next 12 months. Often these resolutions don't stick, so this year try something different. Make a money resolution.

A money resolution is really just a small financial plan to stick to. The trick to setting a money resolution is to start small and be realistic.

If a resolution is too big or too much of a behavioural change we tend to not follow it or if your resolution is unrealistic with our circumstances we tend to forget it and move on.

So how do we set a resolution that will stick? Follow the tips below and you will be well on your way to setting and achieving your 2016 money resolution.

1. **Be realistic:** Set a goal that you think you could do based on your current circumstance. For example, "I want to buy a new big screen TV in 6 months".
2. **Be specific:** Set a goal that is clear and outlines what you need to do to achieve it. For example, "I would like to buy a 55 inch LED HDTV for \$1,000 which is \$1,130 after tax."
3. **Make a plan:** Create a month by month plan for achieving your goal. Setting monthly goals will help you stay focused on the larger goal. "If I save \$188 per month I can buy my TV in 6 months."
4. **Stay accountable:** Tell your family or friends what your resolution is. By doing this you are letting them know it is important to you and you know they may ask at any time how your goal is coming along. Put up a picture of your goal on the fridge, beside the TV or your mirror to keep it front of mind.

By following these four tips you are setting yourself up for a behavioural change that will help you get your finances in order over the year and create habits that will help you for years to come.

## Tech Tidbit

If saving money is part of your New Year's resolutions for 2016, technology can help!

Many mobile apps have been developed to help you track, budget, and save money.

**Flipp:** Flipp is an app designed to help you save money by providing all local and national flyers in one spot. After setting up the app with your favourite stores you can peruse flyers and circle items that are of interest. When out shopping you can use the app to see if you can get the item cheaper elsewhere. If you can, simply show the flyer at the cash to see if you qualify for price matching. Flipp also provides information on additional coupons for items (you often have to print these in advance).

**Mint.com:** Mint is one of the largest and well known budget/tracking apps available. Mint syncs to your bank account to help you stay within user defined budgets and provide progress towards savings goals. Mint allows you to visualize your spending patterns so you can make changes.

**Nest:** The Nest learning thermostat takes the guesswork out of setting your own thermostat settings. By learning your families patterns, Nest will automatically adjust heating and cooling to help reduce your monthly heating bills. Nest is also app connected so you can control your house's heat on the run.

## The Benefit of Credit Counselling

When in debt where do you turn? A TV debt guru, another loan, friends and family? Not-for-profit credit counselling offers a strong alternative to other options and has a track record of helping Canadians get out of debt and stay out of debt.

Research conducted by Equifax, looked at 1,600 Canadians who completed a debt management program through a credit counselling agency. The research shows that after DMP completion, a person's credit risk decreases from high risk to a more average risk within two years.

This decrease in credit risk shows that Canadians who pay off debt through a not-for-profit credit counselling agency are looked at two times more favourably than Canadians who do not use the services of a not-for-profit credit counselling agency to manage debts.

Why is this? Not-for-profit credit counselling places a large emphasis on identifying the underlying reasons for indebtedness, provides relevant referrals to other social agencies where appropriate, and helps to educate the consumer in setting up budgets and savings, how to set and achieve financial goals, and how to develop a money management system that will work for the individual or family.

Not-for-profit credit counselling is as much about helping someone get out of debt today as it is about helping the individual stay out of debt in the future. Not-for-profit credit counselling doesn't offer a Band-Aid solution but rather a proven long-term solution to your debt problems.

## Your Credit Report

Did you know that as a Canadian you are allowed to pull one free credit report yearly? Your credit report is a valuable tool in your personal finance tool box.

Credit reports highlight who you have or had credit with. Credit reports highlight your payment history and provide you with a credit rating. Your credit rating, while not the same as a credit score (a proprietary number based on statistics) helps you to see your payment history with each creditor and the status of your accounts.

Credit reports also allow you to see who has accessed your credit file in the last 7 years. Reports can also be used to ensure that no credit has been taken out in your name without your knowing.

To get your credit report, go to [www.equifax.ca](http://www.equifax.ca) (look for credit file disclosure) or [www.transunion.ca](http://www.transunion.ca) (search for credit disclosure). Your free report is mailed to you and does not contain your credit score. For immediate access you will have to pay a small fee, usually around \$20-\$30.



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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 Credit Counselling Canada.

*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.*

Accredited member  
Credit Counselling Canada  
Conseil en crédit du Canada

