



# *Chase away* MONEY STRESS

PLANNING FOR FINANCIAL SUCCESS

While there are glimmers of hope on the horizon, there's no question that many people and companies are struggling and unemployment numbers have been creeping up. As a result, families across Canada are coming up with creative ways to trim their spending, save their cash and chase away money stress. Here are some strategies you can implement today to cope with the current situation and help set yourself up for greater financial success in the future.

## CREATE AND FOLLOW A BUDGET



A simple budget doesn't take much time to set up and can help you see very clearly where your money goes each month – and where there may be opportunities to reduce costs. See the “Budget Worksheet” on page 38.

Collect your household's bank statements and bills and then record your expenses in categories such as those listed on the Budget Worksheet. This will help identify where your money is going and how much you are spending monthly.

Next, turn to your income. Your household may benefit from a mix of paycheque income if you receive a salary, self-employment income if you operate a small business and investment income if you receive a regular stream of money from your investment accounts. Add it all up and calculate a monthly average for your income as well.

## SEIZE SAVING OPPORTUNITIES

There are many ways to reduce the expenses in a monthly budget. The most obvious is to eliminate frills – for example, consider whether you need to buy a muffin on the way to work when you could bake a dozen every weekend for a fraction of the cost.

When it comes to the essentials, clipping coupons has recently become much more popular – and it's easier than ever because many deals are advertised online. Searchable sites such as [www.redflagdeals.com](http://www.redflagdeals.com) collect and summarize discounts on goods and services across the country. Meanwhile, [www.save.ca](http://www.save.ca) lets you order a range of coupons on brand

name products that are mailed to you free of charge.

In categories such as communications, consolidating services with one company can save you money. If you have several providers, call them up and ask for their best deal on the telephone, Internet and television services your family needs. Many Canadians can also quickly reduce their debt costs by paying off high-interest credit card balances and consolidating debt in a lower-interest single line of credit.

Get your whole family involved in the quest for new saving strategies because this works best when it is a joint effort. If you have children or grandchildren, keep them motivated by rewarding them for their best ideas with a money-free treat – such as a game of catch at their favourite park.

## MANAGE ANXIETY

If money worries are getting you down, consider starting or ramping up an exercise regime. Exercise can do more than keep you physically healthy – it can improve your mental and emotional well-being as well. According to the Mayo Clinic, 10 to 15 minutes of activity may improve your mood in the short-term. Long-term, 30 minutes of exercise daily, three to five days a week, has been shown to significantly improve the symptoms of depression, so it should do wonders for everyday stress!

Another way to manage anxiety is to make an effort to focus on positives, rather than negatives. It's easy to become preoccupied by bills and bank balances, but take the time to write down a few successes – even small ones – that happen each day. For example, if you're not currently working, maybe you applied for three jobs. Or, whether or not you're working, perhaps you made a new professional contact through a

friend or on a social networking site. Celebrate the triumphs that, added together, can begin to improve your financial situation.

Finally, give yourself a break. Devote half an hour a day to doing something that you truly enjoy. That may be taking a stroll through your neighbourhood or curling up in a comfy chair to read your favourite magazine. Whatever the activity is, focus 100 per cent of your attention on it. Ask for your family's cooperation and resist the temptation to multitask. “Mini-vacations” like this can be great stress-relievers.

## KEEP ECONOMIC NEWS IN PERSPECTIVE

Yes, it's true that the Canadian economy lost 250,000 jobs between April 2008 and April 2009<sup>2</sup> but try to take a longer-term perspective. So, if you read that a manufacturing plant is shutting down production, keep in mind that lost jobs may soon be recovered thanks to an anticipated surge of demand for “green collar” workers in the renewable energy industry. Similarly, when you see employment numbers drop, consider that laid-off employees may become entrepreneurs who help spark a new era of economic expansion.

There isn't a rosy spin to everything, but actively managing your spending and saving, seeking out ways to ease stress, and remembering that every recession has been followed by a period of economic growth can help you ride out these tough times. Even more important, taking these steps will position you to take full advantage of the recovery when it arrives. •

<sup>1</sup>[www.mayoclinic.com/health/depression-and-exercise/MH00043](http://www.mayoclinic.com/health/depression-and-exercise/MH00043)

<sup>2</sup>[www40.statcan.gc.ca/01/cst01/lfs01a-eng.htm](http://www40.statcan.gc.ca/01/cst01/lfs01a-eng.htm)

## BUDGET WORKSHEET

<b>INCOME</b>	Monthly Income Stream
Net Employment Income	\$
Government Benefits	\$
Retirement Benefits from Other Sources	\$
Investment Income	\$
Rental Income	\$
Other	\$
<b>Total Income from all Sources</b>	<b>\$</b>

<b>EXPENSES</b>	Monthly Cost	<b>EXPENSES</b>	Monthly Cost
<b>Housing</b>		<b>Financial Obligations</b>	
Mortgage/Rent	\$	Registered Contributions	\$
Utilities (heat, hydro, etc.)	\$	Non-registered Contributions	\$
Phone/Cell/Internet/Cable	\$	Pension Contributions	\$
Insurance (home)	\$	Loan Payments	\$
Property Tax	\$	Credit Card Payments	\$
Condominium Fees	\$	Health Insurance	\$
Maintenance	\$	Life Insurance	\$
<b>Transportation</b>		Disability Insurance	\$
Gas/Fuel	\$	<b>Discretionary Expenses</b>	
Insurance (car)	\$	Fitness	\$
Loan/Lease Payments	\$	Travel/Vacation	\$
Public Transit	\$	Hobbies	\$
Maintenance and Repairs	\$	Pets	\$
Parking	\$	Entertainment	\$
<b>Daily Living</b>		Restaurants/Meals	\$
Groceries	\$	Subscriptions	\$
Clothing	\$	<b>Miscellaneous</b>	
<b>Health Care</b>		Gifts	\$
Eye/Dental	\$	Charities	\$
Assisted Living Care and Nursing	\$	Other	\$
Prescriptions	\$		
<b>Total Expenses from all Sources</b>	<b>\$</b>		

# Solutions



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