

Essentials of MONEY SMARTS

1

All the elements work together.



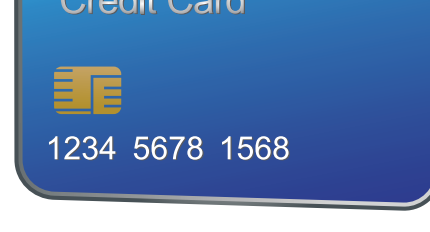
2

Create a budget to have a clear picture of your total monthly income versus your total monthly expenses.



3

Credit Management



29.4%
of household debt in Canada

Unless you need a separate credit card for business, have only one. Pay off the monthly balance in full, or as much as you can each month.

Source: Fraser Institute



4

Debt Management



Make an annual lump-sum payment towards your mortgage if you can. Decide whether a fixed- or a variable-rate mortgage is right for you.

65.5%
of household debt in Canada

If you have multiple loans and credit debt, consider a consolidation loan to reduce your monthly payments.

5.1%
of household debt in Canada

Source: Fraser Institute



5

SAVING

Save early, save often. Pay yourself first. Try to put **5%** to **10%** of each paycheck into your savings account.



6

SPENDING

If you're spending more than your total monthly income, you'll have a problem. Your debt ratio shouldn't be more than **36%**.



7

Get advice from a professional financial advisor. He or she will help you decide which vehicle is best for you.



INVESTING



8

Poor Financial Savvy



Less financial knowledge can mean living paycheck to paycheck; financial duress; and lower quality of life.

9

Good Financial Savvy



More financial knowledge can mean more financial security; financial comfort; and higher quality of life.