

10 things you can do to save money in the upcoming year:

1-Identify and distinguish between wants and needs.

The difference might not be obvious, but it is important to make the distinction between needs and wants. Needs are essential items in your life – food, shelter, clothing, transportation. Wants are luxury items – electronics, jewelry, etc. These items are considered by many to improve or enhance our quality of life. However, if the majority of your disposable income is used up by your wants, you will have to discipline yourself.

Minimizing spending on things you desire will help you save for items you require.

For example: For many of us a car is a need. Unless it is necessary for your business, a \$40,000 Sport Utility Vehicle (SUV) is a want. So be careful when fulfilling your needs not to turn them into wants! The following tips should give you a starting point to help you fulfill your needs:

2-Plan your expenses with a budget.

A budget helps control your spending. It provides a system for estimating how much money you will need to cover various expenses during a particular period, and then matches your actual expenditures against the estimated amounts. You can see at a glance where your monthly income goes, and whether you are spending more than needed on certain items.

A budget is also useful in financial planning. It allows you to see how much money you can expect to have left over after expenses. At that point, you can plan what to do with the surplus amount.

3-Shop around for the “best pricing” from insurance, telephone and internet companies.

Combined, these add up to be a big expense, so getting the best deal on each of them can save you hundreds of dollars. This includes not only these services, but also any product you buy. Whenever you are about to make a purchase, try doing comparisons on a variety of similar items to ensure you get the best deal.

4-Evaluate your eating habits.

Place a limit on the number of times you eat out in a month. Then, instead of eating at your favorite restaurant, make home cooked meals. At work, it is easy to follow your co-workers habits of eating out and buying already made meals for lunch. Take a moment and think of the amount of money you spend toward meals (each week, month and year) at work. Force yourself into the routine of bringing your lunch to work and you will reap the rewards. Not only will your wallet thank you, but your health will too! You can even bring left-overs from the delicious meal you made the night before.

5-Try before you Buy.

How many times have you bought things you later come to realize you don't really need or rarely use? If this has never happened to you, great! If you are like the majority of the population, you have felt regret after making a purchase. Before you

buy items that have big price tags, borrow one, rent one or try one. Would you buy a car without taking it for a test drive first? (Hopefully your answer is no!) So, before you go out and buy that new snowmobile, ask a friend if you can try it out or take one out for a test drive.

6-Empty your pocket change into a “piggy bank”.

At the end of every day, empty coins from your pocket or wallet into a “piggy bank”. This old-fashioned yet effective way of saving money will surprise you as the money you put into it grows and before you know it, you’ll have a few hundred dollars saved up. You might be tempted, but restrain yourself from making withdrawals from the “big pig”. Every 3 months or so, you should deposit this cash to your savings account at your financial institution. So, go ahead fill your little pig’s belly!

7-Get “clothes smart”.

You can tell a lot from what you wear. Everyone wants to look good, but you don’t need the bankroll of a celebrity to look like one. Stores sell off their inventories at significantly discounted prices at the end of the season. Take advantage of those big sales for inexpensive new clothes for next year’s season.

You can also buy from second-hand stores and find clothes for a fraction of the price. Above all you should stay away from expensive brand names, but you will still be able to dress for success!

8-The big two: mortgage and cars.

Your mortgage and car payments are most likely your biggest expenses, so shop around to make sure you get the best deals. Bigger isn’t necessarily better here. The bigger the home, the bigger your heating bill and the more expenses you will have. The same theory applies to your automobile: if you don’t need a truck, minivan or a big car then don’t purchase one. By downsizing, you will not only save in monthly payments, but also in maintenance, insurance and the ever-climbing cost of gas. If you have people in your neighborhood who work with you, it would be beneficial for you to carpool to work.

9-For impulsive shoppers: freeze your credit card!

Credit cards can be dangerous if not used properly! That’s right, these cards are made for the times you don’t have the money today, but will have within weeks. If you feel like you don’t have control over your spending with credit cards, you should freeze it! That’s right, literally freeze it! Put it in an empty container filled with water and put it in the freezer. Now, you will be forced to pay with other methods (cash, cheques, debit cards) and you will realize how much money you waste. Hopefully, by the time the ice has thawed, you will have control over your spending.

10-Invest in RRSPs, savings, GICs.

Once you have gone through this list, select a few items and try to implement them in your routine. It shouldn’t take very long before you start accumulating some savings. So, instead of spending it, you should invest it. At the very least put it into a savings account so that you can accumulate interest or save for an emergency. The best thing to do, however, would be to invest it. A GIC or an RRSP will let your

investment grow even more. Contact your financial advisor to discuss the best options for you.

If you have any questions regarding any item covered in this list, you can contact an OMISTA financial expert at any of our three branch locations.