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Are You Financially Fit?

Life Happens....Are You Prepared?

Being a financially responsible adult is a JUGGLING ACT!

Do you have enough & the right kinds of insurance?

Do you have 4-6 months of living expenses saved in an emergency fund?

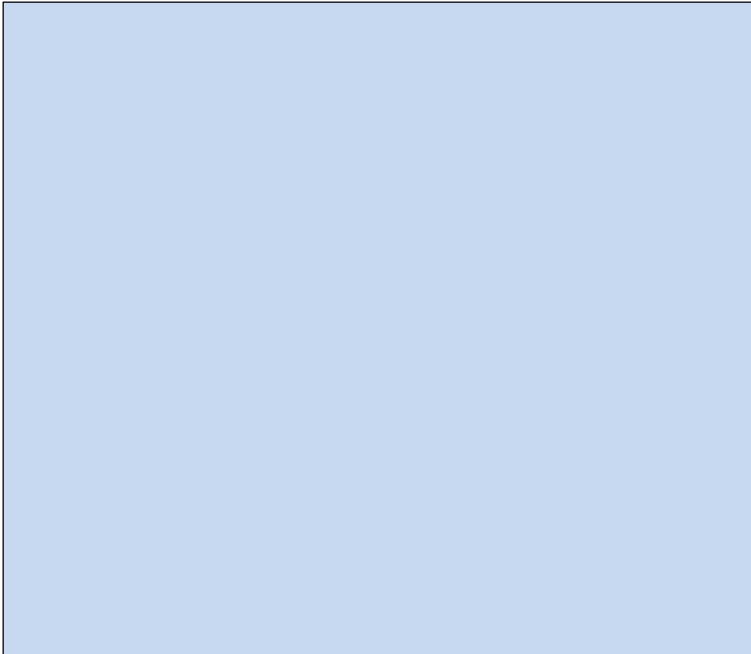
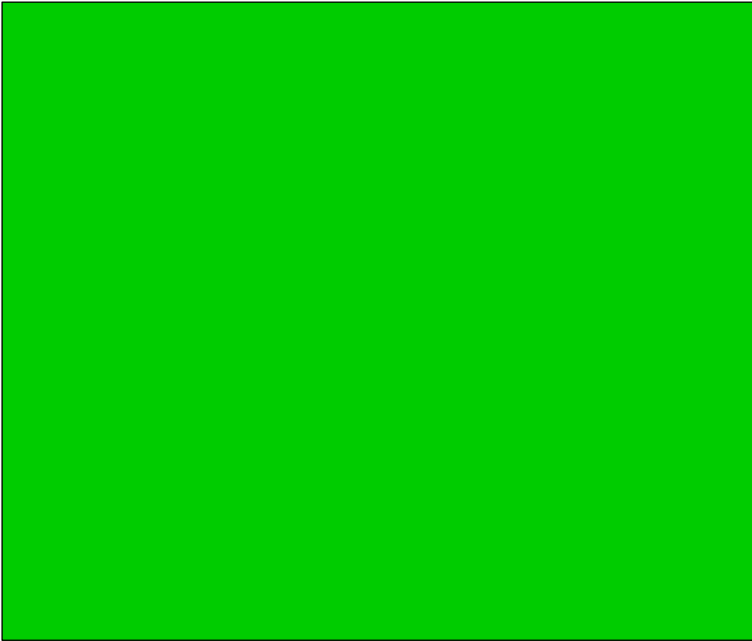
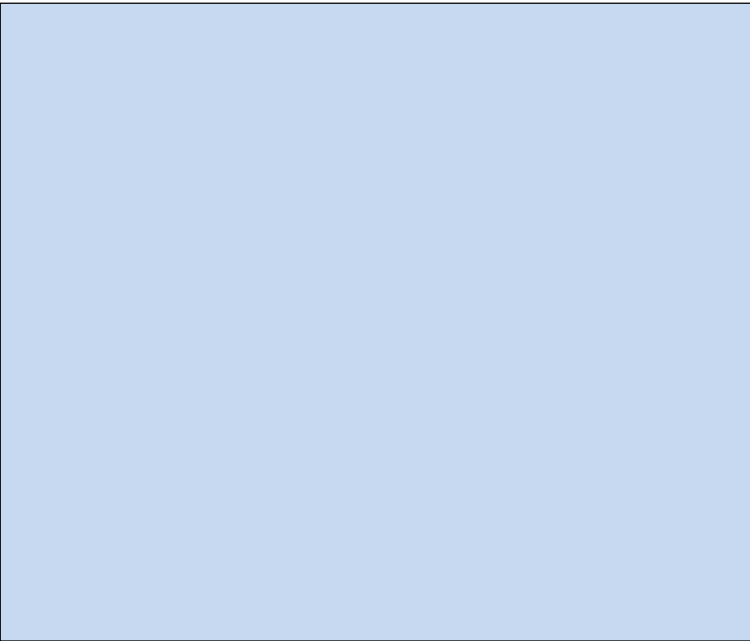
Do you have a plan in place to pay down all your debt by a specific date?

Do you have wills and/or powers of attorney in place?

*Are you saving for your family's future?
RRSP? RESP? TFSA?
Investments?*



Starting a financial fitness plan can be intimidating, especially when you are starting from zero! Just like becoming healthy, you need to set goals and build a plan. What do you want for yourself and your family? Where are you now and where do you want to be? How will you get there? There is a lot of work to do but if you follow these tips, you will be on your way to financial fitness!



The key to becoming debt-free is to pick your timeline for becoming debt-free and this simple formula:

Let's say you want to pay off your credit card within two years (24 months). You are currently carrying a balance of \$5000 at an annual interest rate of 18%. First, you need to determine the monthly interest accrued on this balance:

$$\mathbf{\$5000 \times 18 \div 100 \div 12 = \$75 \text{ (monthly interest)}}$$

Divide your debt by the number of months you want to take to pay it off:

$$\mathbf{\$5000 \div 24 = \$208.33 \text{ (monthly principal)}}$$

Now add the monthly interest to your principal payment to get the amount you need to pay every month to reach your goal:

$$\mathbf{\$208.33 + \$75 = \underline{\$283.33} \text{ (monthly payment)}}$$

Now you have a clear plan in place to start paying down your debt! Keep in mind that your best move would be to pay down your highest interest-rate debt first while continuing to make minimum payments on your other debts. Once you have the first card paid off, you can snowball that payment into your next highest interest rate debt and continue until you are completely debt-free! Imagine the freedom and know that with some hard work and commitment (and likely some sacrifice), it is completely within your reach!

(Sometimes, even with the best intentions, you may find yourself unable to get out of debt on your own. If you are struggling, reach out to a non-profit credit counseling agency in your community and find out what your other options may be to get debt-free.)

