

# FINANCIAL SELF-CARE

## building good money habits



While your economic situation does play a part, research shows that financial well-being has more to do with behaviours than with how much money is in your bank account. Building good money habits is a must if you want to get a better handle on your finances. Creating a budget and sticking to your spending plan is one of the most important actions you can take to help establish a good relationship with money. It's essential to know how much money you have to work with and how that money flows in order to manage it appropriately. But budgeting isn't the only thing you can do. There are other habits you can incorporate into your lifestyle to help improve your financial well-being.

### 1... DEVELOP YOUR MONEY SKILLS.

It's easy to feel confused or overwhelmed when it's time to talk money, which is why many people prefer to go about their day and just ignore their finances. But there are countless resources available to help you beef up your money sense: read books, browse websites, listen to podcasts, or take a course. A financial advisor could also be a good option for advice on big topics like creating a financial goal strategy, tackling debt, or investing for the future. The more you educate yourself, the easier it will be to make the right decisions for your situation.



### 2... UPGRADE YOUR ENVIRONMENT.

If you're trying to improve your eating habits, filling your pantry with cookies and treats isn't a great idea. The same thinking goes for your finances. Identify ways to reduce the temptation to spend: delete shopping apps on your phone, leave your credit card at home, prep the coffee maker and pack a lunch the night before. Setting up your environment with your goals in mind will help set you up for success.

### 3... REWARD YOUR ACHIEVEMENTS.

Making changes to your spending habits can be hard. Monitor your progress and celebrate your success with an inexpensive reward like your favourite fancy coffee or a quiet me-time with a new library book. Establishing the incentive beforehand can help keep you motivated.



### 4... DON'T WAIT TO START SAVING.

Even if you can't contribute a large amount each month, it's important to make savings part of your monthly budget. You may not be able to allocate the ideal amount right away, but looking at saving as a priority will make a difference in the long run. If you can only budget five dollars on savings, it's still a start. Establish a savings goal, so you know what you're working toward and can track your progress. Find more ways to contribute to savings by looking for opportunities to adjust your variable expenses. For example, pull out your coffee maker and brew coffee at home rather than doing a daily coffee run, pass on Friday night take-out, or cancel a monthly subscription you can do without for now. While it may be difficult to give up some small luxuries, it doesn't have to be forever. What you will gain in the peace of mind that comes from having an emergency fund or savings for your future is worth it.

### 5... MAKE A DEBT REPAYMENT PLAN.

Instead of just paying the minimum and hoping for the best, it's important to make a plan. Your budget is an ally when it comes to a debt repayment plan. Look for opportunities to adjust variable spending so you pay more towards debt repayment. There are different strategies that you can investigate to find a process that works for you (TIP: Check out the Snowball Method and Avalanche Method).

### 6... CONSIDER A SIDE HUSTLE.

A side gig can be a fun and rewarding way to boost finances, especially if you monetize a hobby. Get creative with your skills: sell something you make, offer cleaning or dog walking services, or be an Uber driver.



## FIND THE *Micro Habits* THAT WORK FOR YOU

As much as you'd like to be able to budget 20% of your income for savings, that just may not be realistic at this point in your life. That's ok! There are still meaningful changes you can make to get on track and work towards your financial goals. **Micro habits** are simple, manageable actions that you can implement into your day, and they can result in meaningful behaviour changes over time. Here are a few examples:

Limit your coffee purchases by buying a gift card from your favourite spot at the beginning of the month. Consider this your monthly budget. Once it's spent, you brew your own coffee at home.



Implement a 24-hour "cool down" on new purchases to prevent impulse buying. This waiting period will give you time to rethink your purchase and determine if you really need – or even want – an item.



Plan your shopping. It's easy to be tempted by new product displays and sales. If you need to visit a store, make a list of what you need and stick to it. Meal plan and hit the grocery store once a week.



Automate your savings. It's much easier to spend money if you see it in your bank account. You may have allocated funds to savings in your budget, but if it's simply sitting in your cheque account, you may be tempted to spend it.

