

Steps to help you save money

Saving money requires a lot of willpower and ongoing effort, but it can also be very rewarding and reassuring. In order to save, you need to do some financial planning, after which you can start making your money grow.

1. Draw up a budget

Figuring out — and sticking to — your monthly budget is key. The act of doing it may seem tiresome, but it will help you to have better control over your finances.

To create a budget, compile a list of all your expenses and write them down. Add your revenue and check the balance. If your budget balances or shows a surplus, then you're free to start saving.

2. Create an emergency fund

The first step in saving is to create an emergency fund. It should equate to three months' worth of expenses (you should already know how much this amounts to, as you've already drawn up your budget). You'll need this kitty to deal with unexpected expenses, and to not have to, one day, be forced to choose between getting your roof repaired and going on vacation.

3. Put money aside on a regular basis

Do whatever it takes — write down the money you want to put aside as an expense in your budget, as if it were a bill to pay. But, instead of a bill, you will in fact be paying yourself.

An automatic transfer program is an excellent way to save money.

Choose the amount, and how often you want it drawn from your account and forget all about it. Even \$10 a week can pay off in a big way over time.

4. Invest your savings

Try not to keep all the money you save in your chequing account. The returns will be meagre and the temptation to spend your savings will be too great. Instead, invest it. There are many different investment vehicles that can grow your money, depending on your profile.

Talk with your financial advisor to come up with the best savings plan for your situation. — QMI AGENCY

Why women love to invest in homes



BARBARA STEWART
Special to QMI Agency

Real estate is king — or perhaps queen, since we are talking about women.

Last year I interviewed 100 accomplished women around the world on the topic of investing and spending. I asked two questions — one about their investment mix and one about how they spend their time, energy and money.

My full findings will be released in March, but I am happy to share here one of the surprising facts gleaned from my work: The women I surveyed are investing between 50% and 80% of their assets in real estate. Many are also passionate about putting their extra time, energy and money into their homes.

In a world of continued uncertainty, a lot of women are looking to bricks and mortar as a home for their money, as well as for themselves.

"I am currently spending my resources on 'getting my nest right,'" said one of my Toronto-based interview subjects. "I have lived in the same home since 1975 and along the way it has evolved in so many ways. There have been renos and reconstructions and refreshes and I

always know exactly what I want — it has to be very personal. I love my home and, when I get old, I may need someone to take care of me, so I am making it perfect now while I have the time, energy and money to do so."

Interestingly, investing in equity markets is of little interest to most of the women



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I spoke with. This surprised me, particularly in light of the fact that the S&P 500 posted a 15% return last year. Many women seem to still be licking their wounds from the financial crisis of 2008-09 — even more than most professional investors are.

We have found that women love to invest in their home

because it offers a sense of warmth, soul and personal security. Some say it pays to be patient because real estate always goes up over the long term.

But, putting on my portfolio manager's hat, I have to say that investing 50-80% in any one asset class is quite risky. Given some recent surges

in real-estate pricing, both in Canada and elsewhere — even if there is no bubble — valuations are not as low as they once were. Ladies take heed — enjoy investing in your home, but be sure you want to live there.

— Barbara Stewart, CFA, is with Cumberland Private Wealth Management Inc.



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