



Establishing Financial Wellbeing

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled “All Psyched Up” for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of “Life is An Adventure...every step of the way” and “Open for Business Success” is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

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Credit and debit cards can be deceptive. So many people are upset when the bank and credit card statements arrive, and they have to face reality involving how much they have spent and what they owe. In contrast, if you are paying cash for things, it is easier to understand how you are doing financially than if you use plastic

Your financial well-being can be simplified into two parts. It is based on how much you earn and how much you spend. With a few adjustments you will begin noticing improvements rather quickly.

Earn More

1. Adding more hours - One extra hour of work a day might not seem like much but even if you are at minimum wage, this can add up! For example, if you earn \$15.00 per hour and work five days a week, you will have an addition \$3,900 gross a year ($\$15 \times 5 \times 52$) by just working one more hour each day. Ask your employer if there is opportunity for you to take on extra shifts or increase your work hours. If you are willing and able to work on statutory holidays or to exceed regular time standards you will benefit even more from overtime rates
2. Ensuring value - One of the best ways to protect your income is to be a wonderful employee. Make sure that you are doing what you are hired to do and not what you feel like doing. When an employer learns that you can be trusted, you will be right in line for a promotion and/or raise.
3. Developing multiple streams of income - Do you have ways to earn more? This might include an extra part-time job, sale of items that you make at home or interest on investments. Perhaps you will invest in a good business. Just make sure that you research and use wisdom when you are doing your planning so that you will have a good return.
4. Making career changes - If you want to earn more or enter a new field, you will likely need to work on your resume by taking a course or entering an educational program. The best is when you can work while you are studying and pay your registration fees as you go so that you don't accumulate a lot of student debt.

Spend Less

1. Ask for and use your discounts - Review your regular bills and make phone calls to see if the company you are dealing with can offer you a better plan or lower rate for services. When you are making purchases, ask if there is the sales representative a lower the price.
2. Submit claims - Do the paperwork for insurance and other claims immediately. You are the one who is losing out when you have spent money but not been reimbursed.
3. Avoid penalties and interest - Know the exact percentage rates that you are being charged. Pay your bills before the due date and whenever possible use cash for purchases.
4. Use what you have - Check your home to see what you might be able to wear or use before you buy new. If you are organized, you won't be tempted, for example, to purchase a new screwdriver because you can't find one in your messy garage.
5. Don't lend - If someone can't manage their finances or get a loan from a bank, your best answer when they ask for money is "No". Lending to them will likely not solve their problems and may, in fact ruin your relationship when they don't pay you back.
6. Learn skills - You can save a lot of money if you pack a lunch, cook at home, and do simple household repairs and mending projects.
7. If you don't need it, it is not a deal - Beware of sales! Saving money is not saving if you have to buy something you aren't going to use.
8. Bet on sure things - Blue chip investments, focused energy and having a good plan are way better than wishing and hoping your gambling activities will pay! The reason that casinos are able to operate and renovate is because the odds are rigged in their favour. You might win once in awhile but if you are honest about how much you spend gambling compared to how much you win, you will likely be disappointed.