

Personal Finance New Years Resolutions

A new year is a fresh start for many. A time when key resolutions for the year are set and followed through. Money matters are usually at the heart of these resolutions – paying down debt, saving for retirement, etc. What are your top financial priorities for 2015?



Top Financial Priorities for 2015

Increased focus on **paying debt** in 2015
Retirement planning has declined in importance

Prioritize Your Debts

Make a list of your liabilities and organize them by the annual interest rate. Those with the highest rates (most likely your credit card debt) should be paid off first. Calculate how much you need to save per month in order to make extra payments towards your debts. If you're struggling to make payments or have several debts outstanding it is a good idea to obtain a debt consolidation loan. This type of loan will roll over all your existing debts to one account thus only requiring you to make a single payment. It will also provide a clear repayment path with a specified end date when you'll be debt free.

Open an RRSP

Open a Registered Retirement Savings Plan (RRSP) to which you contribute for your retirement. All earnings within the RRSP are exempt from tax until the money is withdrawn. Since the amount you contribute can be deducted from your gross income in your tax return, you'll reduce the amount of tax you end up paying. The sooner you open an RRSP account the better since your money will grow tax-free for a longer period of time. If you make RRSP contributions a financial priority you will have peace of mind knowing that you'll have a sufficient nest egg saved by the time you retire.

Enroll in an Automatic Savings Plan

Financial discipline is not easy. It is often tempting to spend the money we have in our chequing account. To save money for that dream vacation, a brand new home or even your retirement, enrolling in an Automatic Savings Plan is very beneficial. Setting this up will ensure that a specified amount of money is transferred to your investment account on a periodic basis.

Consequently, you'll be forced to save because the cash will be automatically transferred from your account before you have a chance to spend it. The key is to figure out what you intend to save for, how much needs to be saved and over what time period, in order to determine how much money should be transferred to your investment account every period.

Canadians Who Feel They Will Meet Their Financial Goals

Canadians are feeling less confident in their ability to meet their financial goals relative to 2014

