

Your Employee Assistance Program is a support service that can help you take the first step toward change.

Quick Tips to Reduce Debt and Start Saving

The recent economic crunch has caused many people to not only tighten their belts, but also lose sleep: a recent American study found that nearly two-thirds of Americans are losing sleep over their money worries [1].

Even if you're guilty of overspending and under saving, it's never too late to turn over a new financial leaf. Start now with a few simple steps that will help you reduce your debt, save for a rainy day, ease relationship quarrels over money and ultimately lower your stress levels.

Get real. It may seem easier to stay in the dark about what you owe, but you can't change what you don't acknowledge. Use a spreadsheet to keep track of your income and expenditures—it's the easiest way to see where your money is going and where you have room to cut back.

End the credit crunch. Credit card debt can create a never-ending cycle of overspending and high interest rates that can quickly dig you into a big financial hole. If you don't pay your credit card in full every month (the interest-free way to go) start by adding up exactly what you owe and looking to see if you can consolidate your debt using a lower interest line of credit. If that's not an option, create a plan that covers all your minimum payments and pays off the highest interest rate cards first. Avoid further credit temptation by leaving the charge card at home and using cash for day-to-day purchases.

Trim the fat from your expenses. Check your phone, cable and internet bills for "extra" features you're being charged for (and may not be aware of) and cancel unused services. Look for other easy ways to lower your monthly expenses so you'll have more left at the end of the day for debt reduction and savings. Switching from monthly to bi-weekly mortgage payments sneaks in one or two extra payments annually and can have your mortgage paid off years faster. Many mortgage agreements also allow you to pay an extra 15 per cent on your instalments and a lump sum on the anniversary date of the mortgage. Check the fine print though or you may be penalized for overpaying.

Get with the program. The three magic words to saving are: plan, plan and plan. Plan your weekly meals, lunches, grocery lists and shopping outings. Your morning coffee and afternoon lunches can easily add up to hundreds of dollars each month. Skip the high-priced frothy coffees and invest in a jazzy thermos to cart around your beverage of choice. Trim your budget and your waistline by packing a healthy lunch for work. Bypass the take-out and instead work out a weekly meal schedule that turns dinner time into a fun family event. If you must head to the mall, avoid impulse buys by making a list of essentials beforehand and sticking to it. Save time, money and gas by doing your homework and looking over online flyers which can help you comparison shop and keep you in the know about sales, coupons and bargains.

Alter your mode of transportation. Do your part for the environment and save money at the same time by biking to work or walking your children to school. You'll not only shed stress and weight, but can also eliminate the need for a gym membership. If you don't live close to work compare transit prices or consider car-pooling and use the most cost-effective option. This can save you thousands of dollars in gas, repairs, maintenance and parking.

Go green. Keep heaters a few degrees lower and air conditioners a few degrees higher. Use energy saving light bulbs (or CFL bulbs) and remember that your mom was right—switching off the lights in rooms you're not using will save you energy and money over time. Throw out that old beer fridge in the basement and ensure your home is thoroughly insulated and that drafts are shut out so your heating (and

money) doesn't literally go out the window. Investigate energy saving options and information on government rebates for buying greener, *Energy Star* choices when it's time to replace an appliance.

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Find it free. Your local library is a great resource for books, magazines and even movies. You'll not only save money but also gain extra storage space. Instead of shelling out big money for family excursions, pack a lunch and go hiking, watch a parade or explore other free kid-friendly activities and events offered in your community.

Start saving today. Take all the money you're saving (by following the above steps) and create a plan. If you find all the options (and acronyms) overwhelming then talk to a financial planner or bank to get the information you need to make savvy saving decisions.

There's no doubt that financial uncertainty has created a lot of anxiety and unease, but it has also made a lot of us take a closer look at how we spend and save money. Money may not buy happiness, but financial stability—achieved by reducing your debt load, finding ways to cut costs and actively saving—can definitely ease stress and improve relationship and family dynamics.