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10 Top Actions to Help Your Financial Health

- 1) Pay yourself first – put aside 5 to 10% of your take home pay to put into your RRSP's, Tax Free Savings Account, and emergency cash fund
- 2) Have an emergency cash fund in case you lose your job or get sick and can't go to work. Cash reserves should be 3-6 months of your minimum living expenses (no the cable TV doesn't count). Avoid market based investments and stick to high interest savings accounts (preferably TFSA).
- 3) Pay down your non-tax deductible debt first. Your mortgage, credit cards, car loan, line of credit, etc. are costing you big money over time. High interest debt like credit cards can double your debt in under 4 years. Paying the minimum payments each month can take you over 18 years to pay the debt off.
- 4) Take advantage of your RRSP first home buyers program and TFSA to help you switch from renting to owning a home and building your equity long term
- 5) With the cost of health care, prescription drugs, fuel, food, etc. rising more than 3.9% per year, be prepared to save enough retirement money to provide you with 65-80% of your pre-retirement income in order to enjoy a comfortable retirement
- 6) Use tax efficient investment accounts like Tax Free Savings Accounts, RRSP's, real estate and Corporate Class mutual fund accounts to increase how much money you keep from the tax man
- 7) Control your financial risk of loss from premature death, loss of income due to disability, the cost of treating a critical illness like cancer, and the cost of long term assisted living in your retirement. With odds like 1 in 4, 1 in 8, 2.4 in 4, and 1 in 2 respectively of your number coming up before age 65, the odds are good that you'll need some insurance to keep you cruising worry free
- 8) Consider estate planning to reduce the tax liability when you pass away and your estate transfers to your next of kin
- 9) Consider pre-arranging your funeral. One thing that is guaranteed is that we all pass away and when we do it is usually unexpected. Often our funeral wishes are not known and/or there isn't any money to pay for it.
- 10) Keep your Last Will and Testament up to date. Pre-select your enduring power of attorney, your executor and any guardians and trustees for your children to insure that your wishes come true. There are countless stories of unpredictable and undesirable results from people who don't keep these up to date

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