

BLOG

We are tempted to live a life we cannot truly afford.

As consumers, we are bombarded with offers to ~~take~~ take it home today yet do not pay for 12 months. According to Statistics Canada, for each dollar of disposable income, Canadians owed \$1.16. This 2005 ratio will no doubt climb in 2008.

Remember when you were a child and received your allowance. The thrill of having money and wanting to spend it is still as exciting today as it was back then. Unfortunately, as adults, we are dealing with more than a dollar or two.

Knowing how much money we make and how much we spend is one solution to being financially responsible. It sounds easier than it is. Most people do not take the time or make the effort to record their daily expenditures; however, it is a great place to start. Knowledge is power. Being aware of where your hard-earned money is going will let you make smarter decisions and to start living the life you deserve.

Earlier, we referenced your childhood. Here is one more flashback . Homework! That's right. Your assignment is to record every dollar you spend. If you pay cash, ask for a receipt or jot it down in a notebook. We guarantee that you will be amazed at how quickly your purchases add up.

After recording your spending for a month, it's a good time to analyze your data. On our web site, LFFCU.ca under Tools, the Home Budget Analysis Tool is a good resource to determine how your spending stacks up to targets. Here's the path: Tools . Life Events Calculators . Fast Access Calculator . Home . Home Budget Analysis.

This enlightening exercise will allow you to determine what parts of your spending are in excess, and where you're doing great. It's never too late to make a change!