

## Transcription : Mistakes to avoid when saving

[♪ Opening music ♪]

[A title appears on a light blue background: “Aiming to save?” The words “A presentation of Laurentian Bank,” along with the bank’s logo, appear underneath. A coin pictogram rolls across the logo, and a new title appears: “Five mistakes to avoid.”]

I'm Ines Matoussi, Senior Advisor.

[Words appear next to the blonde woman: Ines Matoussi, Senior Advisor at Laurentian Bank and Mutual Fund Representative at LBC Financial Services Inc. Laurentian Bank = Laurentian Bank of Canada. LBC Financial Services Inc. (LBCFS) is a corporate entity separate from Laurentian Bank. Registered LBCFS representatives are also Laurentian Bank employees.]

Today, we're sharing five traps to avoid when trying to save. What's your natural reflex when it comes to saving? Are you a Security Seeker or a Spontaneous Spender?

[Animations of an ant on the left and a grasshopper on the right appear.]

Inflation is slowing down, but prices for basics like groceries, fuel, housing and electricity remain high. Rising costs can mean there are fewer opportunities to save. So, how can you adapt?

[An animated diagram titled “inflation” shows icons representing a house, a petrol pump and a grocery basket next to rising lines.]

Trap number one: no budget.

[Increasing numbers scroll and stop at 51%.]

Did you know that 51% of Canadians don't follow a budget?

[Source mentioned: Canadians and their money: main observations from the 2019 Canadian Financial Capability Survey.]

Making a budget may seem daunting, but it's essential for making informed financial decisions. There are many advantages. A budget allows you to better control your expenses and see where your money is going.

[A “Budget” chart appears, presenting the benefits as a checklist.]

It provides an overview of revenues and expenses. It helps identify charges that could be avoided or reduced, such as subscriptions, less expensive hobbies, etc. Most importantly, it helps determine how much you have available to save.

Trap number two: not putting money aside regularly.

Like any other consistent behaviour, saving is easy once it becomes a habit.

[An ant appears with dollar signs moving around it and then flying away.]

The best way to save is to set up automatic withdrawals.

[A monthly calendar appears showing dollar signs appearing every Thursday of the month.]

You pick the amount, frequency and account. At each payday or monthly, RRSP, TFSA, or high interest savings account, you automatically put money aside without you even thinking about it.

Trap number three: not having a specific savings goal.

With a goal in mind, saving becomes motivating. Whether you're saving for retirement, to purchase a property, for renovations, a trip or your kids' education, proper planning helps you determine how much money to set aside.

[Icons appear of a golfer, house, plane, hammer and graduation cap.]

Trap number four: putting off saving.

Ideally, we'd all adopt money-saving habits from a young age. Thankfully, it's never too late to cultivate healthy financial habits. Money spent rather than saved misses out on the magic of compound interest. The earlier you start saving, the more you earn.

[A diagram appears with bars showing growth.]

Trap number five: underestimating the value of interest.

Simple interest is calculated solely on the initial amount, whereas compound interest is calculated on the initial amount plus accumulated interest. Like a snowball that grows as it rolls, your interest builds on itself over time.

[Four circles of different sizes appear with a line jumping from the smallest to the largest.]

By avoiding these five traps, you're better equipped to save. Your Laurentian Bank advisor is here to help you choose the right investments to help grow your money. Happy saving!

[♪ Music ♪]

[The five yellow pennants that form the Laurentian Bank logo appear, surrounded by a blue square. The words "Laurentian Bank" appear.]