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## How to Achieve Personal Financial Success

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As the recent pandemic crisis made its way around the world, creating havoc in its wake, we can be thankful most Canadians were able to weather the storm in fairly good financial shape. Now Canadians are mostly concerned about spike in the interest rates and how that will impact their financial and retirement plans during the next few years.

While nobody can ever solve national or international crises personally, we can still focus on our own financial situation. Here are 5 keys for achieving sanity in your personal finances:

### Reduce Your Debt

If we have learned anything from the recent rise in inflation and interest rates, it's that too much debt can be a very negative situation. Not just for the global economy, or the national economies, but on our personal economies as well.

For most, the solution can be relatively simple - find ways to pay down discretionary debt such as credit cards and lines of credit. If your debt load is a little more than you can bear, you may be able to consolidate debt at lower interest rates and payment amounts. Avoid new consumer spending and **think it over before using that credit card again.**

### Increase Your Savings

During any period of financial turmoil those with emergency savings tend to come through ahead of their peers. It is recommended to have three to six months of living expenses as an emergency fund. If you haven't already developed the discipline of saving this amount, a monthly pre-authorized deposit into a savings plan is a great place to start. With interest income fully taxable, it is best to only keep enough to handle emergency situations. A Tax-Free Savings Plan may be an excellent place to put these savings.

### Invest Your Excess Savings

World stock markets can be very volatile and very difficult to predict. As we have seen, unforeseen events elsewhere in the world can often have dramatic impacts on local stock markets.

Investment funds are generally considered a lower risk option for investing in the markets because you benefit from the **built-in expertise of professional money managers.** You can also benefit from dollar cost averaging and lower your risk if you invest regularly and systematically over time.

### Have Sufficient Insurance Coverage

Whether its life, accident and sickness, home or auto, it's important to have adequate insurance protection. Most of us know of someone losing a family member without sufficient life insurance and the devastating effect it had on the survivors. Or of someone becoming disabled and not able to earn a living. We like to believe it won't happen to us but it's foolish to not plan for the possibility.

### Protect Your Estate

The last thing you want is for the government to decide who gets your life savings. A properly prepared and valid will names a trusted executor and establishes guardianship for minor children. This is not something to be put off. Do-it-yourself wills are an option, but they can cause bigger problems if not completed properly.

A trusted financial advisor can take you through the options best suited to your individual circumstances and tailor make a solid plan for accumulating and keeping your wealth.

[Please contact us if you have questions](#) [1] about saving strategies.

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