



CARRICK ON MONEY

Two proven ways to feel better about your finances



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PUBLISHED NOVEMBER 29, 2018UPDATED NOVEMBER 29, 2018

0 COMMENTS

As we head into the final month of the year, spend a few minutes thinking about what you'd like to do in 2019 to improve your financial position.

Two ways to look at the possible steps you could take: Which will have the biggest impact on my finances, and which will most make me feel better about them? Given the high levels of financial stress that keep turning up in money-related polls, I suggest you go for changes that will make you feel more in control of your finances. For that, consider following a budget and saving more.

Fresh research suggests these two steps are effective in building your sense of financial well-being. "Regardless of the amount of money someone makes, regular efforts to save for unexpected expenses and other future priorities appears to be key to feeling and being in control of personal finances," the federal Financial Consumer Agency of Canada says in a summary its 2018 Financial Well-Being Survey.

In an additional study on budgeting, the FCAC found that slightly more than half of participants believed a budget helped them pay down existing debts, increase savings for the future or to save for emergencies. The budgeting study started in 2016 with people in British Columbia and Newfoundland and Labrador who were introduced to budgeting. A follow-up in 2018 found that 54 per cent of the group was still using a budget.

What I like about saving and budgeting is that they're foundational financial moves. They give you control and flexibility that will help you find money to pay down debt, save more for retirement and do other important things to help you get where you need to go in life.

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Rob's personal finance reading list...

How not to argue over money

Advice for couples on how to develop a united front in dealing with financial matters. I really like the suggestion to find a financial mentor to offer guidance on big decisions.

Who's up and who's down on car reliability

Consumer Reports updates the vehicles that have been added and dropped from its recommended list because of reliability issues.

Indulgence and convenience

All about how the food service industry is targeting millennials who are priced out of the housing market and thus have the disposable income to eat out often. The question for these millennials is whether they aspire to own a house down the line. If so, they may want to cool it on the restaurant and bar spending to ramp up their savings.

How financially desperate people are able to borrow more

An insolvency expert comments on how a well-off couple with massive debts keeps finding ways to borrow additional funds. I wrote about this couple in a recent newsletter.

Today's financial tool/app

Ready to try a budget to see if it can help you control your spending and find more money to save? A non-profit debt counselling service created this easy-to-use budget planner to help you track your day-to-day spending.

Ask Rob

Q: I am in my 30s, relatively new to the markets and trying to self-manage my own stocks. However, after reading your recent robo-adviser guide, I realize a robo-adviser might relieve some of the pressure on myself, diversify my investments, and be a savvy alternative to a financial adviser. That being said, I cannot decipher which robo-adviser is recommended for someone in my position (young, new to the markets, modest but fairly regular investment contributions). Are there specific robo-adviser firms that you recommend for someone that is in my position?

A: Sounds like you want a low-fee robo-adviser that won't take too big a bite from your investment returns. The latest Globe and Mail robo-adviser guide includes a comparison of advice fees and the average fees for exchange-traded funds used in client portfolios.

Questwealth Portfolios is the low-cost leader on a combined basis, with several other firms also offering a reasonably priced package.

Do you have a question for me? Send it my way. Sorry I can't answer every one personally. Questions and answers are edited for length and clarity.

In case you missed these Globe and Mail personal finance-related stories

- How taxes can provide relief from a failed investment
- The expanded CPP will not narrow the gap between public and private sector pensions
- Could this octogenarian widow run out of her retirement savings? (for Globe Unlimited subscribers)

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