5 steps to boost your financial health
What age range do you fall into?

- 18 – 24 years
- 25 – 30 years
- 31 – 36 years
- 37 – 45 years
- 46 – 50 years
- Over 51 years
For many Canadians, money worries are the greatest source of stress.

44% say it would be difficult to meet their financial obligations if their pay is late.

Source: Canadian Payroll Association 2018

25% retirees are living with debt.

Source: The Sun Life Financial Barometer, 2017
Agenda

1. Assess your current situation
2. Create goals
3. Make a budget
4. Act on your plan
5. Keep your finances healthy

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Step 1

Assess your current situation

- Are your finances healthy?
Are your finances healthy?

Ask yourself a few key questions:

- How much money would you have available in the case of an emergency?
- Do you spend more than you earn?
- How much credit card debt do you have?
- Have you created financial goals for the future?
- Do you have a written budget?
- How much are you saving for retirement?
- Do you have enough insurance coverage?
- Do you know what your net worth is?

Need help to get started? Check out sunlife.ca/tools
Step 2

Create goals

- Short-term & long-term goals
- Prioritizing your goals
Goals

Short-term

- Build an emergency fund
- Pay off credit card debt and student loans
- Build a fund for minor repairs and home improvements
- Save for travel
- Save for a wedding

Long-term

- Save for retirement
- Pay off your mortgage
- Start a business
- Save for children’s education
Prioritizing your goals
Step 3

Make a budget

- Choose a budgeting method
- Determine where your money goes
- Separate your needs and wants
- List your income and expenses
Choose a budgeting method

50/30/20 budget rule

Expense categories:
- 50-60% Fixed Cost
- 10% Investments
- 5-10% Savings
- 20-35% Guilt-Free Spending

Envelope method
Determine where your money goes

- Daily coffee and muffin: $1,040/year
- Buying lunch daily: $2,600/year
- Dinner out once a week: $4,160/year

Where does your money go?
Check out the budget calculator on sunlife.ca/tools
Separate your needs & wants
List your income and expenses

**Income**
- Earnings
- Bonuses
- Pension
- Allowances
- Government payments
- Part-time pay
- Dividends
- Rental income

**Expenses – fixed**
- Mortgage and property tax
- Insurance
- Car payment

**Expenses – variable**
- Groceries
- Gas
- Entertainment
Step 4

Act on your plan

- Pay yourself first
- Build an emergency fund
- Pay off your debts
- Save for the future
Pay yourself first
Group plan advantage

- **Pay** yourself first through payroll deductions
- **Save** tax immediately
- **Lower** your fees
Build an emergency fund

3 to 6 months worth of living expenses

- Take small steps toward saving
- Keep your emergency fund separate from other savings
- Don’t rely on debt
- Consider opening a savings account
Pay off your debts

- Avalanche
- Snowball
- Debt consolidation
Save for the future

- Plan for the unexpected
- Save for the long term
- Set a monthly target for retirement savings

Deposit money into a savings account each month can help you build healthy financial habits.
Pay off your debt or save for the future?
Step 5

Keep your finances healthy

- Take control of your budget
- Track your spending
- Understand your credit rating
Take control of your budget

- Compare reality to plan
- Maintain a record of expenses
- Make adjustments
Track your spending

Most popular: Mint

Best for mobile: Clarity Money

Best for Millennials: Wally

Best for budgeting: YNAB

Source: the balance 2019
Understand your credit rating

The importance of your credit score

- **POOR**: 300 to 559
- **FAIR**: 560 to 659
- **GOOD**: 660 to 724
- **VERY GOOD**: 725 to 759
- **EXCELLENT**: 760 or more

Source: Loans Canada
What affects your credit rating?

**The 5 Factors**

- **Amount owed**: 30%
- **Payment history**: 35%
- **Length of credit history**: 15%
- **Types of credit**: 10%
- **New credit requests**: 10%

Source: My FICO
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Tools and resources

- sunlife.ca/COVID-19
- mySunLife.ca
- luminohealth.ca

- my Sun Life Mobile app
  Download it today from Google Play and the Apple App Store.

- Connect with an advisor
  1-877-786-2244
  8 a.m. to 8 p.m. ET | Any business day

sunlife.ca

- Bright Start Tool
  Find out how to start working on your life, health, savings and retirement goals.

- Life expectancy calculator
  Work out your estimated life expectancy, based on recent actuarial data.

- Financial check-up
  Take this quiz and find out how the choices you’re making today are shaping your financial future.
Extra help if you need it

- Managing finances can feel demanding... you’re not alone.
- You have access to Lumino Health, a free platform available to everyone.
- A variety of mental health resources to support you:
  - Find and book appointments with healthcare professionals, in-person or virtually
  - Access articles with advice from mental health experts
  - Discover the latest apps, products and services to support your daily health
Thank you for attending!