

**Your
8 Week
Financial
Fitness
Plan**





Summer is an inspiring season.

Summer is a time when we finally tackle that landscaping project, or take that vacation we've been dreaming about. Perhaps we use the warmer weather to become more physically fit and start training for a marathon. Well, why not use this inspiration of summer to get our finances in shape as well?

Becoming financially fit is a bit like running a marathon. We start by setting a goal, stretch our dollars, and train every week so we can make our finances strong. It requires determination, commitment, and maybe just a little bit of pain as well. However, the rewards and feeling of accomplishment are well worth the sacrifice!

The Servus Financial Fitness Program

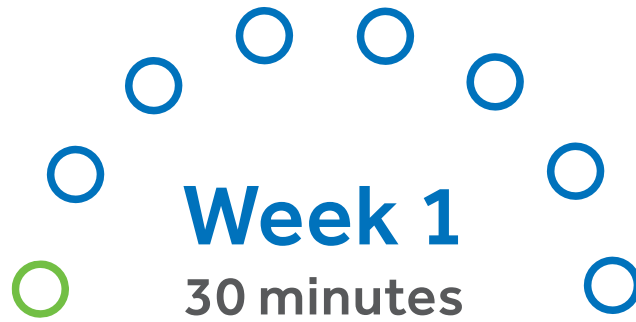
Complete this eight-week program, and maybe by this time next year you can do the landscaping, the vacation and the marathon!



Program Overview

Time to get started!

- Week **1** Set your financial goal
- Week **2** Create your budget
- Week **3** Review your credit cards
- Week **4** Tackle your debt
- Week **5** Meet with your financial advisor
- Week **6** Review your credit report
- Week **7** Map out your retirement
- Week **8** Cool down and reward yourself



Week 1

30 minutes

Choose your reward and set your financial goal.

Step one is to decide what your reward will be for completing this eight-week program. Think of it as your medal for finishing the race! Make it something achievable and motivating. Need some ideas? Here are some examples:

- Tickets to a music festival
- New BBQ
- Dinner at a new restaurant
- Camping weekend

My reward for completing this program will be: _____

Now that you know your reward, let's define what you want to accomplish financially. There are a lot of goals to choose from so what you decide should really tie to what matters most to you right now. Is it buying your first home? Saving up for a vacation? Saving for retirement? Putting money aside for your children's education? Wherever you are in life, think about where you most want your finances to improve and let's start there.

Write your goal below and think about the SMART goal rules – make it specific, measurable, achievable, realistic and timely.

My financial goal is: _____

Got your goals?

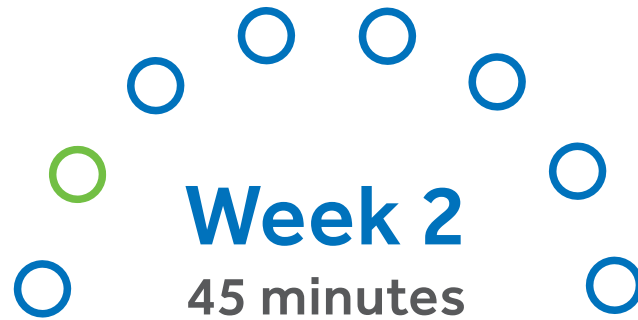
Here are ways to make your goal top of mind and increase your chances of reaching it:

- 1) Make time in your calendar** for the next eight weeks to complete the activities in this Financial Fitness Program. We'll let you know how much time you need to plan for.
- 2) Book appointments with your Financial Advisor** for weeks five and seven so they can help you achieve your goal. Don't have one? Visit Servus.ca and we'll introduce you to someone who can help.
- 3) Make your goal tangible.** Think "I want to buy my first home" not "I want to stop stressing about money." The home is much easier to visualize!

4) Talk about your goal with everyone in your circle. Tell them what you're planning to do. The mere act of saying it can make it more concrete and likely in our minds. It also garners the support of our friends and family.

5) Create visual reminders of your goal and put these reminders in places that you'll see every day. Want to go on a trip to Australia? Get a koala keychain and a kangaroo sticker for your wallet to remind you of your goal and make you think twice when you're considering buying something you might not need.

That's it, Week One is done! Now that you've decided on your goal and your reward, these next seven weeks will get you closer and closer to achieving both!



Week 2

45 minutes

Create your budget and look for little opportunities to save more or spend less.

This week, you're going to take a major step forward in achieving your financial goal by creating your own personal budget. This is something that an estimated 53% of Canadians haven't done yet.

So, let's get you more prepared than half of the population in just 45 minutes and six steps!

Before you get started:

- Gather your income statements
- Grab any monthly bills you have on hand
- Log in to your online banking so you can review your accounts for other occasional expenses
- Find a time and a space where you can work uninterrupted. And why not put on some of your favourite music too!

Ready? Let's go!

Step 1: Visit the [Servus Home Budget Calculator](#).

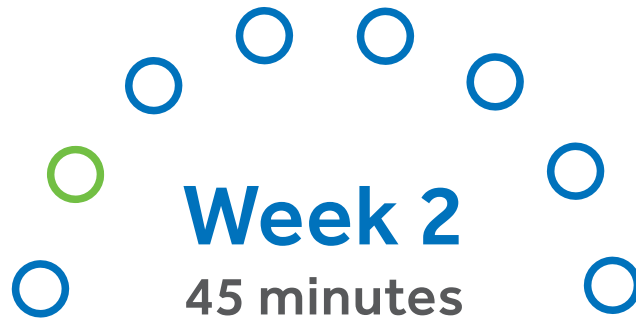
Step 2: Scroll through and select any expenses you incur during the year.

Step 3: Put in estimates for how much you spend for each category, either monthly or occasionally
Don't worry about being exact here. Just put in your best guess for now and you can always adjust later if you need to.

Step 4: Enter in your income. Don't forget any rental income, investments, revenue from side projects, etc.

Step 5: Review your budget, looking at both the yearly summary and the monthly breakdown.

Step 6: Download your custom spreadsheet, save it somewhere for future reference, and print off a copy for yourself.



Week 2

45 minutes

So, now that you have a budget, let's take a look at both sides of the equation and see if we can find a few small opportunities to spend a little less.

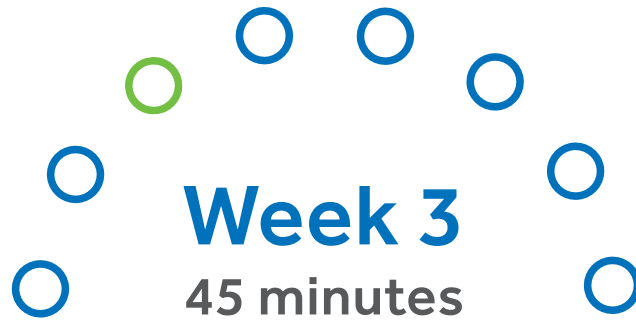
Find some extra money

- Are there stores you shop at regularly?
 - **CHALLENGE!** Consider whether these rewards or discounts for frequent purchases and sign up to receive them. These can really start to add up.
- Are you receiving profit share for your banking?
 - **CHALLENGE!** Use the [Servus Profit Share Calculator](#) to see how much you could be earning if you had all your bank accounts, loans, and investments with Servus.
- Do you have items in your home that you no longer need?
 - **CHALLENGE!** Try selling these items on your local swap group or on Kijiji and turn them into cash.

Reduce your expenses

- Are there any fees for things you no longer need? (magazine subscriptions, gym memberships, or fees for physical or digital storage space, etc.)
 - **CHALLENGE!** Can you cancel those today and save yourself that cash?
- Can you find an expense that could be reduced by changing your shopping behaviour?
 - **CHALLENGE!** Choose something you could spend less on by buying second hand, purchasing in the off-season, or shopping at a location with lower prices.
- Are you spending a lot of money eating at restaurants or ordering take-out?
 - **CHALLENGE!** Start bringing your lunch to work every day or limit yourself to only eating at restaurants once a week.

Now that you've completed this week's activity, you have a much better idea of where your money is going. You may have even identified some ways you can save a bit more money each month. Way to go! With this clear picture, you are now in an ideal position to make some meaningful changes.



Week 3

45 minutes

Review your credit cards and make them work for you.

This week, your credit cards are going to get a workout - not from shopping, but from proving that they're the right ones for you!

We've all experienced that situation when someone offers us a credit card with a special perk, so we sign up and then never use it. Is it really a big deal if we just keep those cards in our wallets gathering a bit of dust? It is, actually, and here's why:

- Sometimes these cards carry annual fees, which means not only are they sitting unused, they're actually costing us money.
- Each credit card we carry shows up on our credit report as available credit. This may affect the amount of money we can borrow in the future.
- Credit cards can carry with them some risk if they're ever compromised, especially those we don't monitor regularly for unusual activity.

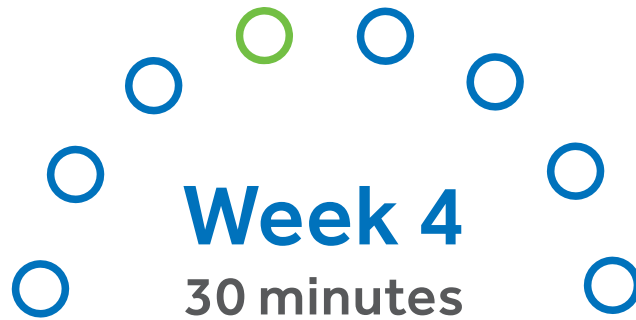
With that in mind, let's get those credit cards in order:

- Do an inventory of your credit cards. Which ones are currently active? Which ones are you not using?
 - **ACTION:** Cancel any cards you aren't using and don't need.
- Do you carry a balance on your credit cards month-to-month?
 - **ACTION:** Use the [Servus Credit Card Payoff Tool](#) to figure out how to you can pay that credit card off within your budget.
- Think about the rewards that matter to you. Travel? Cash back? Discounts on frequent purchases?
 - **ACTION:** Make sure your cards offer you valuable rewards. If they don't, find ones that do. View the [credit cards](#) offered by Servus to see if one of them suits you a little better.
- Start using your credit card to make your everyday purchases and avoid paying unnecessary interest.
 - **ACTION:** Set up automatic payments each month to pay off the card each month so you don't pay interest.

Here's an example of how a credit card can work for you

Danielle, Servus Member since 1998

Danielle was using a credit card she'd signed up for when she was in University but it didn't offer her any additional rewards. She set a goal to go on a trip to Europe in three years, so she did a bit of research and found the [Servus World Elite MasterCard](#). It offers 2 points for every \$1 spent, trip cancellation insurance, concierge service, rental car coverage and more. Now she uses that card for all her purchases, pays it off at the end of each month, and saves about \$500 towards travel each year.



Week 4

30 minutes

Evaluate and tackle your debt.

If you're like most Albertans, you've got some form of debt. The average Albertan has about \$27,473 in debt, not including a mortgage. Some debt can, in fact, be a good thing if it improves your financial future or gives you an actual asset that will gain value or help generate income. See below for some examples of good debt vs. bad debt:

Good Debt

- Mortgage
- Student Loan
- RRSP Loan

Bad Debt

- Credit Card Debt
- Car Loan
- Payday Loan

The act of having debt in and of itself is not the problem. Failing to have a plan in place for paying it off is where issues arise.

The plan for this week - we're going to take a closer look at any debt you're carrying and make sure you've got a plan in place for paying it off. If any questions come up this week while you're going through this process, just make note of them for next week when you'll meet with your Financial Advisor.

If debt were a marathon, how long would it take to complete?

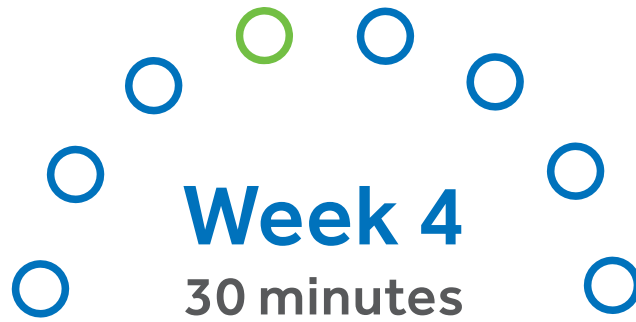
When you run a race, you always want to know what the average time is to finish. Paying off debt can be a bit like a marathon, in that you must plan over a period of time to pay it off. To help pace yourself, here are some average repayment times for a few types of debt:

- Mortgage – 25 years
- Student loan – 14 years
- Car loan – 6 years

Of course, these are just examples. If you have multiple types of debt, these timelines can extend a little longer.

What is your current debt status?

Remember that budget you created back in Week Two? Dig that out and highlight any debt payments you currently have. Think about some of the most common debts – mortgage, student loans, credit cards, and car loan. Did you forget to add something in? You can always go back to your spreadsheet and add it.



Week 4

30 minutes

What do your debt payments look like?

Determine what interest rate are you paying on each form of debt and rank them from highest to lowest. The high interest debts are often the ones you want to focus on paying off first. Do you have the option to transfer balances from high interest to low interest products? If so, this is worth looking into to reduce the amount of interest you'll have to pay over the long run.

To consolidate or not?

Debt consolidation can be a great way to tackle multiple debts. To find out if it's worth considering for your own situation, visit the [Servus Debt Consolidator Tool](#) and enter in all your debt information, including your balance owing, interest rate, and monthly payments. Click 'Calculate' to find out how your time to pay off debt and monthly payments compare in your current debt state versus a consolidated debt scenario. See a savings in your monthly payments with the consolidated option? Jot that number down and move on to the next step...

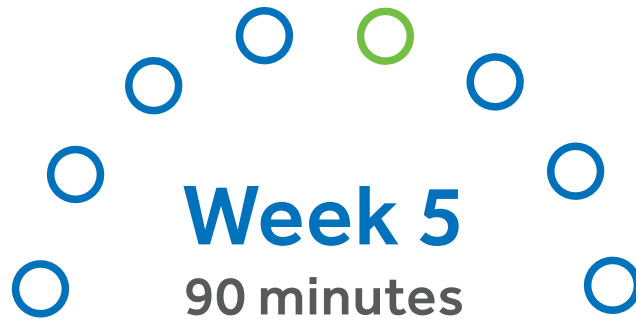
How much of a difference could a little extra payment really make?

You'd be surprised how much of an impact a little extra money month has on debt payments. See for yourself with the [Servus Accelerated Debt Payoff Calculator](#). Remember that small monthly savings you saw in the last step? Well if you plug that number in under "Apply monthly payment savings" then you'll see two amazing numbers appear:

- 1) Time to pay off debt will be reduced significantly
- 2) Savings in interest could be a pretty substantial amount

The heavy lifting you've done this week built some pretty strong muscle. Now you not only know what your debt picture looks like, you also have some solid numbers you can work with and some potentially impressive savings in interest. That savings can go straight towards that goal you set in Week One.

See? You're already a little closer, aren't you?



Week 5

90 minutes

Meet with your Advisor for a financial health check.

So far, you've set a financial goal, looked at your income and expenses, reviewed your credit cards, tackled your debt...you've accomplished a lot! All of this was meant to arm you with the information you'll need to make the most out of this week's activity.

You're going to meet with your Financial Advisor and do a financial health check to make sure you're on track to reach your financial goal or to create a plan to get you on track.

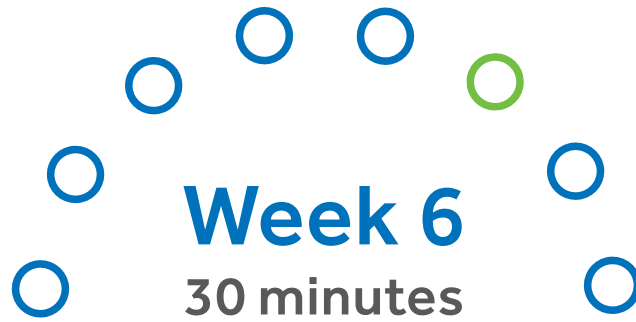
If you don't already have a Financial Advisor, let's get you set up with one.

Before the meeting:

- Complete the Servus Personal Net Worth Statement by filling out all your assets and any liabilities you have.
- Bring the following documents with you:
 - The goals that you set out in Week One
 - Your personal budget from Week Two
 - Debt information from Week Four
 - Proof of income, such as pay stubs
 - Investment statements
 - Debt statements, such as credit card bills, car loan information, etc.
 - Your personal net worth statement
 - Any questions you've come up with so far

When you meet with your Financial Advisor, allow at least an hour to discuss your goals and go through all the documents you've brought with you.

You should come out of this meeting with someone who will run alongside you as you pursue your financial goals, giving you advice, guidance, and encouragement along the way. Feels good to have someone on your team, doesn't it?



Week 6

30 minutes

Review your credit report.

If you've ever bought a car, you've likely watched someone pull your credit report. While this is common practice for anyone who deals in financing, it may not be as common for the rest of us to look up this information for ourselves. Yet a credit report holds some key information about your finances that you need to be aware of. If you haven't seen your credit report before, we're going to change that this week!

What is a credit report?

A credit report is a summary of your credit and payment activities with financial institutions and other organizations. This report is used by banks, retail organizations and other institutions who are considering loaning you money. Essentially, it helps them assess your ability to repay the money that you borrow.

What is included in a credit report?

- Personal information, including your name, contact information, birth date, Social Insurance Number, and employment information
- Credit history including your record of paying bills and making debt payments
- Public record information such as registered liens or bankruptcies
- Bank account history of transactions with non-sufficient funds
- History with collection agencies
- Organizations or individuals that have inquired about your credit in the past three years

How do I get my credit report?

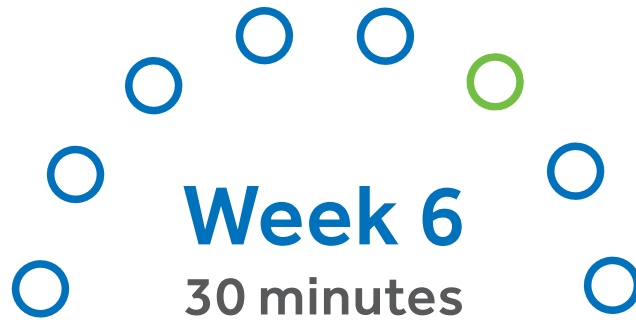
Visit either of the following organizations' websites and choose the option that best suits you:

1. Equifax:

- A. Request a free copy of your Credit File (does not include your credit score)
- B. Purchase a one-time Credit Report for \$15 to \$24 (includes your credit score)
- C. Purchase a membership for access to your Credit Report & Score and protection from identity theft for \$17 to \$30 per month

2. TransUnion:

- A. Request a free copy of your Consumer Disclosure (does not include your credit score)
- B. Purchase a membership for access to your Credit Report & Score and protection from identity theft for \$17 per month



Week 6

30 minutes

I've got my report...now what?

Review your credit report for the following things:

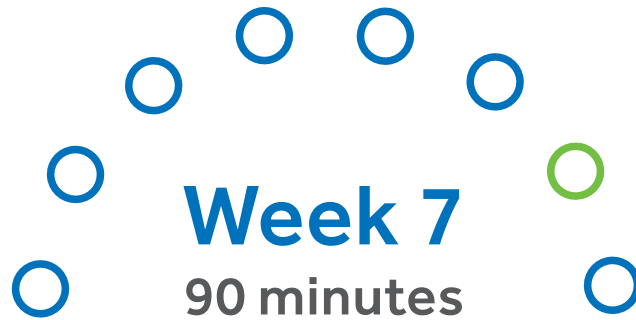
- Is the personal information they have on file correct?
- What is your score?
- Is the information accurate?
- Are there any accounts that aren't familiar?
- How does your payment history look? Are you paying your bills on time?
- How long is your credit history?

How can I improve my credit rating?

- Make sure you close out any unnecessary accounts
- Clear up any balances you're carrying if possible
- Always make your payments on time. If this is a struggle for you, try setting up automatic payments so that you don't forget. But always make sure you have enough in your account each month to cover these payments!
- Don't exceed your limits on any credit cards
- If you spot any inaccurate information in your report, submit an update to the credit report provider to address in your file.

How often should I look at my credit report?

It's best to review your credit report once a year so that you can catch any errors, fraud or identity theft.



Week 7

90 minutes

Envision your retirement and start preparing for it.

Whether retirement is right around the corner or years away, the time will come when your weekdays won't be spent working. Many of us have ideas of what retirement will look like – golfing, going on cruises, taking up gardening, travelling, buying a lake home... Sounds like a dream, doesn't it?

This week, let's make a plan for you to put a little aside now to save for the day when you are finished with work! Even if you can only afford \$20 a month, it's better to start as soon as possible.

You're going to meet with your Financial Advisor again this week to discuss retirement. Before that meeting, get ready to flex some math muscles with a couple activities:

1) Retirement Nest Egg

- Go to the [Servus Retirement Nest Egg Calculator](#)
- Input the information requested, including current age, gross annual income, and current retirement savings
- Take a look at the projected nest egg you'll need for retirement, both before and after considering your current savings. It's a big number, isn't it?

The Lesson: It might seem overwhelming to save that much for retirement, but it's important to know what the total is so that you can figure out how to get there. Take this to your meeting with your Financial Advisor and talk about some options to start setting aside some money to build this amount. There are some incredibly effective strategies to save up this amount over the remainder of your working years.

Here's an example:

The Guaranteed Investment Certificate (GIC) Laddering Strategy

Buy five GIC's to start, each with a different maturity date. Let's say you purchase them to mature at one year, two years, three years, four years and five years.

When the first GIC matures, you can withdraw those funds or add funds to the GIC. You can use the remaining funds to purchase another five-year GIC. This repeats as each GIC matures.

Why this option works: You invest your money, gain interest, and have the option to build your investment, withdraw the money, or do a bit of both.

Week 7

90 minutes

Today you buy	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
1-YEAR GIC	1-YEAR MATURES AND BUY A 5-YEAR				5-YEAR MATURES FOR INVESTMENT					
2-YEAR GIC		2-YEAR MATURES AND BUY A 5-YEAR			5-YEAR MATURES FOR INVESTMENT					
3-YEAR GIC			3-YEAR MATURES AND BUY A 5-YEAR					5-YEAR MATURES FOR INVESTMENT		
4-YEAR GIC				4-YEAR MATURES AND BUY A 5-YEAR				5-YEAR MATURES FOR INVESTMENT		
5-YEAR GIC					5-YEAR MATURES AND BUY A 5-YEAR				5-YEAR MATURES FOR INVESTMENT	5-YEAR MATURES FOR INVESTMENT

2) Penny Exercise

If I were to offer you one of the following options, which one would you choose?

- One million dollars today
- One cent today that doubled every day for the next 30 days

Most people choose the one million dollars because it's a substantial number. But let's take a closer look at the 2nd option...

If the penny is worth 2 cents tomorrow, 4 cents on day three, 8 cents on day four, and so on, how much would the penny be worth on:

- Day 10: _____
- Day 15: _____
- Day 20: _____
- Day 28: _____
- Day 30: _____

We won't tell you the answer, but let's just say it may change your mind!

Why does a penny today that doubles each day turn out to be so much better?

The answer is Compounding Interest.

Definition: Compounding interest is when interest is calculated on both the amount borrowed or invested and any interest previously charged or earned. This is different from simple interest, which is calculated only on the initial amount borrowed or invested.

Essentially what compounding interest does for your savings is it makes your money work harder and increase faster.



Week 7

90 minutes

Here's an example:

Imagine you put \$10,000 into an investment where you'll earn an interest rate of 6%. You plan to leave your investment untouched for 20 years. How much will you end up with?

With simple interest, you'll have \$22,000.

With compounding interest, you'll have \$33,200.

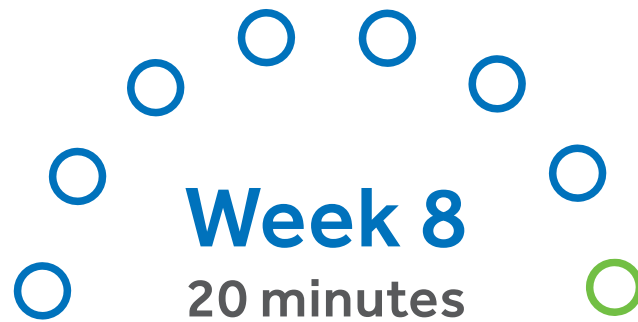
An extra \$11,200 to put towards that lake home or cruise... not bad, right?

So now that you have a bit of a sense of how much you need for retirement and some simple strategies to consider for growing that nest egg a little faster, you're ready to go talk to your Financial Advisor. Go into this meeting with the following:

- A clear picture of the kind of retirement you'd like to have
- Your retirement nest egg calculation
- Your current savings
- Your monthly budget

Your Financial Advisor will review all of this information and recommend some options for you to start putting some money aside for retirement.

When you walk out of this meeting, give yourself a pat on the back. You're now saving for your personal retirement and we guarantee that your future-self will thank you!



Week 8

20 minutes

Do your Financial Fitness cool down and reward yourself!

This week is all about setting up some healthy habits to keep your finances in tip top shape. Oh, and remember that reward you chose in Week One? That will come into play this week too!

First, to keep your momentum going let's get a few things set up:

- **Update your budget**

Remember that budget you created in Week Two? Let's take another look at it and update it with all the work you've done since. Have you made any changes to your expenses? Allocated any of your earnings towards savings? Make sure these changes are reflected in your budget.

- **Book a six-month check-up with your Financial Advisor**

Book an appointment six months from now to meet with your Financial Advisor to review where things are at with your budget, your savings, and your retirement plan. This is a great opportunity to ask any unanswered questions you may have, or make any adjustments you may need now that you've tried this on for size.

- **Review your finances every three months**

Make a recurring reminder in your calendar to review your finances quarterly. This doesn't have to be a deep dive into everything. It can just be a quick pulse check on how your finances are going and whether anything has changed in these last three months that needs to be reflected in your personal budget.

Have you completed those three things?

You've accomplished a lot in these last eight weeks:

- You've gotten clear on your financial goals
- You understand your budget and are a lean mean financial fitness machine with your spending.
- You are maximizing the free earnings that are out there for you.
- You're using the right credit card and are earning benefits that will get you to your goal. You also got rid of those credit cards that aren't right for you
- You tackled your debt by minimizing the interest you're paying and setting up a payment plan that works for you.
- You've shared your financial goals with your Financial Advisor and now have someone working on your team to get you where you want to be.
- You know your retirement goals and have a plan to help you get there.
- You have set up healthy financial habits to review your personal financial situation regularly moving forward.



Congratulations, you made it!

That's right! In just eight weeks you've done more for your finances than perhaps ever before, and taken a gigantic leap forward in making your goal a reality.

Congratulations! You did it!

So now go get that reward you listed in Week one. Enjoy it. Know that you earned it.