



Sticking to your investment goals over the holidays



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Sticking to your investing goals through the holidays

As the holidays approach, many Albertans are overwhelmed by the costs associated with the season. According to PwC's Canadian Holiday Outlook, Canadians expect to spend on average \$1,402 on the holidays, an increase of 29 per cent over last year. From gifts to large dinners, saving and investing can take a backseat to stressful credit card bills.

To avoid this unwanted stress and falling off track with your investing goals, here are five steps you can take to enjoy the holidays and continue to grow your wealth into the new year.

Understand your budget: We all have costs associated with our day-to-day lives, with some falling under needs (housing, utilities, and food) and the rest under wants (gifts, trips, eating out etc.). Take the time to understand your monthly fixed costs and what you can realistically allocate towards gift shopping and entertainment. With this information, you can also see what steps you can take to stay within your regular monthly budget while showing those close to you that you care for them. This could be as easy as giving personalized handmade items instead of buying gifts, and coordinating a volunteering day or potluck instead of hosting a large dinner.

Automate your investments: One of the key components to every investing journey is contributing consistently to your investment portfolio to maximize the compounding effect (the interest on top of interest your invested money earns over time) on your returns. Before you start shopping, consider an achievable amount you can dedicate to your investments each paycheck and set up automatic withdrawals through your bank as soon as you get paid. By utilizing the "Pay yourself first" strategy, you can ensure consistent contributions to your investments, without even having to think about it or inadvertently spending that money.

Confront your debts: There is no better time to confront your debt than now. Review any consumer debt you may have, and focus on ways to minimize adding to it. If you cannot find a sensible approach that doesn't add to your debt, set

reasonable spending limits on gifts, entertainment, and food that you won't struggle with paying off in the new year, and won't limit your ability to continue contributing to your investments.

Save while you invest: While investing is an important tool to growing your wealth, dedicating some of your money towards a savings account can help you be prepared for significant expenses like the holidays. Ideally, it helps to have a savings account for near-term goals like gifts, trips, entertainment and an emergency fund that you can utilize for unexpected expenses that may come your way. By planning ahead and dedicating a small amount each month to both accounts, you will be well prepared.

Avoid the temptation of get-rich-quick investment scams: You may be enticed to make extra money during the holidays with investment offers advertised as having high returns with little to no risk. Remember that fraudsters like to target those who are trying to make money quickly online and in person. Stick to your own financial goals and ignore those investment "opportunities" that could leave you in a worse position.

By staying mindful of your budget, maintaining your investment contributions, and minimizing the debt you take on, you can come out of the holidays without hitting speed bumps on your investing journey.

The Alberta Securities Commission (<https://www.albertasecurities.com/>) (ASC) is the regulatory agency responsible for administering the province's securities laws. Our mission is to foster a fair and efficient capital market in Alberta and to protect investors.

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