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## What's inside

10 money mistakes to avoid  
in your 20s and 30s

Maximizing your home buying:  
Savings tools for first-time buyers

## 10 money mistakes to avoid in your 20s and 30s

The phrase “time is on your side” is never truer than when you’re in your 20s. You’re entering proper adulthood with the ambition to conquer the world, while experiencing the tug of war between wisdom from mentors and your desire to remember you only live once.

Finding that balance is challenging, but avoiding the following 10 common money mistakes can help you enjoy these decades while ensuring you won’t have regrets when you reach your mid-30s. Let’s count them down...

### #10: Misusing debt or neglecting to pay it off aggressively

The more debt you have, the more you’ll play catch-up instead of getting ahead. Credit card interest rates hover north of 20%, while the average car loan in Canada is over 7.5%.

When roughly 46% of Canadian credit card holders carry a balance for at least two consecutive months, you can see how many dig holes that become increasingly difficult to escape. With limited income as you establish yourself in the workforce, eliminating debt becomes that much harder.

### #9: Failing to build the foundation of a sensible budget

While your formal education may be ending, you’d be mistaken to think there aren’t a few more take-home assignments. You can’t control your money if you’re not measuring it.

Tracking your expenses shows you exactly where your money is going, so you’re not left wondering where it all went. Living off less than you make creates margin you can immediately use. A variety of mobile apps make budgeting easy—a discipline your older self will thank you for.

### #8: Not having an emergency fund

The best planning won’t protect you from the unexpected, and we shouldn’t rely on family to bail us out.

Aim to maintain three to six months of expenses in liquid funds—easily accessible and separate from your regular accounts. High-interest savings accounts are great vehicles for emergency funds. Just read the fine print to avoid excessive fees, minimum balances, or withdrawal restrictions.

## **#7: Not taking advantage of compound growth**

Once you're debt-free with a budget and emergency fund, it's time to reward your future self. Take advantage of your most abundant resource: time.

Even small contributions to tax-advantaged accounts like TFSA's, FHSAs, or RRSPs will compound dramatically. Consider this: \$700 monthly starting at age 50 until retirement at 65 (with 10% annual growth) gives you \$290,000. That same amount starting at 30 grows to over \$2.6 million by 65!

Target investing at least 15% of your net income to maximize compound growth.

## **#6: Not taking retirement seriously - right now**

In your 20s and 30s, retirement seems distant. You have immediate goals and want to enjoy your hard-earned money. Maybe you're counting on an inheritance to save you down the road.

But remember: no one is responsible for funding your retirement except you.

The days are long, but the years are short. Retirement will creep up quickly. Among Canadians over 50, only 34% believe they can afford to retire when they want, 19% have no savings at all, and 25% have less than \$5,000 saved.

Retirement should be as much a focus now as buying a home or starting a family.

## **#5: Succumbing to lifestyle inflation**

Let's say you got a raise from \$50,000 to \$60,000 per year. Congratulations!

What you shouldn't do is immediately start living as if you make \$60,000. Instead, increase your saving rate and avoid spending on items that might get

Instagram likes but are quickly forgotten. Even better, if you have no credit card debt and the like, transfer the increased amount from your paycheque directly into your emergency fund or other savings account.

Practicing discipline and frugality in these early years sets you up for decades of success and wealth.

## **#4: Not earning money or networking in your free time**

I get it. You're working all day, and a side hustle seems like it would rob you of downtime with friends or relaxation.

Rather than focusing on what you're sacrificing, consider what you'll gain: additional income to pay off debt or invest, new skills, and a deeper social network.

You don't necessarily need a side hustle that pays immediately. Consider networking with people you respect or aspire to emulate. It might cost you a cup of coffee, but you'll benefit from growing your social net worth.

## **#3: Ignoring your outdated social media profiles**

While building professional relationships, ensure your digital footprint is an asset, not a liability.

Update your LinkedIn profile with a current photo and accurate summary of who you are. And please ensure your other social media accounts are clean and professional.

Your digital reputation follows you everywhere. Expect peers and potential employers to look you up online—be ready when they do.

## #2: Celebrating life milestones without a plan

The two greatest days of my life were marrying my wife, Marnee, and when my son Eli was born—both in my 30s.

What makes me equally proud is that we celebrated these events modestly without debt, knowing our long-term goals weren't sacrificed. This allowed us to build our life's foundation responsibly.

When your time comes, remember it's the people and shared moments you'll cherish, not the frills that accompanied them.

## #1: Not meeting with an advisor

If you're avoiding the other nine mistakes, hat's off to you. The next step is equally important: meeting with a licensed Investment Advisor to discuss your unique goals.

You might ask, "If I'm doing everything right, why pay for advice?" Think of it this way: I take great care of my car, but I'd never skip appointments with my trusted mechanic who inspects everything under the hood to reduce the chances of unexpected surprises down the road. A good Investment Advisor provides compounding value over time, ensuring your plan stays on track.

Finding balance between enjoying youth and preparing for the future doesn't have to be a tug of war. By avoiding these 10 money mistakes, you'll build financial security while still enjoying the journey.

If you have questions I'm always here to help. Reach out anytime.



**Cory Bruner**  
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## Maximizing your home buying: Savings tools for first-time buyers

If you're like most Canadians, buying a home is one of the largest financial decisions you'll ever make.

With housing prices high in many markets, first-time buyers need every advantage they can get. Fortunately, there are a variety of powerful savings vehicles designed specifically to help you build your downpayment.

Let's explore how to make the most of these options.

### Understanding the tools at your disposal

When saving for your first home, you have three main financial tools you can use:

1. **First Home Savings Account (FHSA)** — The newest addition to Canada's homebuyer savings landscape
2. **RRSP Home Buyers' Plan (HBP)** — A longstanding program with increased benefits
3. **Tax-Free Savings Account (TFSA)** — A flexible option for any financial goal

Each of these has unique features that, when used strategically, can significantly boost your downpayment potential.

### The First Home Savings Account (FHSA)

Introduced recently, the FHSA offers a great combination of benefits:

- **Tax-deductible contributions** — You can contribute up to \$8,000 annually (lifetime maximum of \$40,000)

- **Tax-free growth** while your money is invested in the account
- **Tax-free withdrawals** when used for a qualifying home purchase
- **No repayment required** unlike the RRSP Home Buyers' Plan — once the funds are used for your downpayment, the FHSA is closed

This hybrid account essentially combines the best features of both an RRSP and a TFSA. You get the tax deduction for contributions (like an RRSP) and tax-free withdrawals for your home purchase (like a TFSA).

## The RRSP Home Buyers' Plan (HBP)

This program, which has been available to Canadians for decades, allows first-time buyers to borrow from their retirement savings (RRSP):

- **Withdraw up to \$60,000** from your RRSP (recently increased from \$35,000)
- **Avoid immediate taxation** on the withdrawal when used for a home purchase
- **Repay over 15 years** beginning two years after withdrawal
- If you don't repay annually, that annual portion is added to your taxable income

For couples, this means potentially accessing \$120,000 if both qualify as first-time buyers.

## The Tax-Free Savings Account (TFSA)

While not specifically designed for home buying, the TFSA offers convenient flexibility for people planning on a home purchase:

- **Tax-free growth and withdrawals** for any purpose, including buying a home
- **Contribution room restored** in the following year after a withdrawal
- **No restrictions** on how the money is used

If you're planning to buy your first home and want to discuss the best savings strategy for your needs, reach out to us anytime — we're always here to help.

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