

Dedicated to helping you get ahead financially

Your Money



Finder™

NEWSLETTER
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Introducing *Money Finder*

Your new ***Money Finder*** newsletter believes you are richer than you think, and its purpose is to show you where to find that money you didn't know you had. Each issue will share information and suggestions on personal or business financial matters that can help you become financially better off – including easy ways to save, the small steps that can lead to big results, how to manage borrowing, and a better understanding of all your money matters.

Virtually everyone lets some money get away from them everyday. We'll help you find the money where you may not have noticed it, and get it working for you to achieve big results. Finding the money is all about small wins, month by month – through sensible financial decisions large and small - that can add up to financial success you may never have imagined.

Is it complicated? Are we going to suggest tight budgets, complex plans, longer work days? The answer to all of these is **no**.

Finding the money is a realistic and easy strategy that lets you stretch spending and build wealth without schemes, budgets, tricks, or moonlighting. What's more, you don't have to make a lot of money to become rich. You just need to follow a few simple fundamentals of money management, and you'll start to see the results almost immediately.

Scotiabank's find the money approach to day-to-day financial management believes in the same simple, common sense methods of becoming financially better off as financial writer, David Bach. David is the author of several best-selling books, including *The Automatic Millionaire*, which has helped people master the art of building wealth. (Be sure to read the interview with David in this issue of *Money Finder*).

Our approach to financial management, combined with Scotiabank's innovative, customized financial solutions, can help you build financial power you never thought possible. And for many, it could start right here.

Just a thought:

"Never be afraid to try something new. Remember that a lone amateur built the Ark. A large group of professionals built the Titanic." – Dave Barry

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Scotiabank™

Life. Money. Balance both.™

New *Money Finder* Calculator Makes Sense of Your Money



Planning for a successful financial future involves understanding exactly where you are today. And one of the best ways to do this is to use Scotiabank's simple, easy-to-use *Money Finder* Calculator. It helps you review what you earn and what you spend, and is specifically designed to help you discover where all your earnings go each month. More importantly, it lets you see what kind of spending habits you have, and how you may be able to make the comfortable, hardly-noticeable adjustments that can help you spend less and save more.

Visit our website at www.findthemoney.scotiabank.com and take a few minutes to try our new calculator (click on the *Money Finder* Calculator button).

If you find that your spending is exceeding your earnings, you may want to link on to an additional new tool, The Latte Factor®, to uncover those daily expenses you may wish to re-evaluate.

You're richer than you think

Most of us have spending habits we feel we just can't break. And that's fine. No one's suggesting you 'do without'. But a closer look at what we spend on a daily basis might reveal spending habits you can modify or small purchases we really are able to do without - especially when we realize how much they can add up. Eliminating an expensive coffee like a Latte and a muffin, for example, is a small adjustment for many of us, but look how the savings add up.

THE LATTE FACTOR	
A Latte and a muffin a day	\$ 5
A Latte and a muffin a day for a month – weekdays only	\$ 100
Latte and a muffin a day for a year – weekdays only	\$1,300

If you invested that \$1,300 a year, look at what you could save:	
1 year	\$ 1,351
5 years	\$ 7,845
10 years	\$19,107
20 years	\$58,486

This Latte Factor will be different for everyone. It could be savings gained by eating fewer dinners out or cutting back on smoking, or any number of minor sacrifices. You choose your own Latte Factor, and the sooner you start, the sooner you can start a savings plan and grow your money.

Sample calculations are based on a bi-weekly contribution of \$50 to an RSP, with an average annual rate of return of 7.5%.

Find the money for your children's education



Every child is a success story waiting to happen. To help them make the most of their future, hundreds of thousands of Canadians, who have put their children through college or university, found the money in a Registered Education Savings Plan, or RESP.

Your RESP is also eligible for government grants. The Canada Education Savings Grant (CESG), available through the federal government, will contribute funds, equal to 20% of the first \$2,000 in your annual contributions (with some restrictions for 16 and 17 year olds) – until December 31st, of the year in which your child turns 17. This means each child could receive up to \$400 (\$2,000 X 20%) a year from the government to a lifetime maximum of \$7,200.

Not only that, but if you started saving late for your child, the CESG lets you catch up, by permitting you to make retroactive contributions for those years before you started your RESP. If you started making contributions in 2004 for a child who is eight years old, you can make one additional contribution each year, starting with 1998 when the CESG was introduced. Then, in 2005, you can make a contribution for 2005 and an additional contribution for 1999, and each succeeding year, until you have used up all your unclaimed grant funding. And for each contribution you can receive the maximum CESG funding of 20%.

Look for more information at www.scotiabank.com/resp or speak to your Scotiabank financial advisor today.

Own your home outright sooner rather than later

By its design, a mortgage requires interest payments that extend over a long period. But there are ways to shorten that payment period. Small but smart adjustments in the way you pay your mortgage will save you big money, and cut years off your mortgage term.

1. Make your regular mortgage payments more frequently.

You save on interest costs by switching from a monthly to a bi-weekly payment. This produces an extra two payments every year, without you ever noticing it, and adds up over time to thousands of dollars in savings, and a shorter mortgage term.

2. Make the largest mortgage payment amount you can afford.

Slightly higher payment amounts will quickly become a routine budget item, and can result in significant long-term savings by reducing your mortgage term.

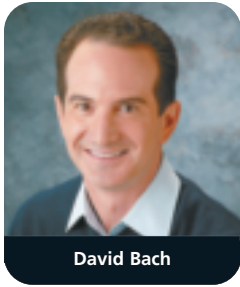
3. Apply periodic prepayments against principal.

Put any extra money you receive, such as a tax return, into your mortgage (up to 15%). It will apply directly to the principal of your mortgage and shorten the term of your mortgage.

4. Choose a shorter amortization period.

The mortgage amortization period is the period it will take you to pay off your mortgage in full - often 25 years. When you shorten this term to 20 years, for example, you can save tens of thousands of dollars in interest charges.

For all of these tips, check our Mortgage Payment Calculator at www.scotiabank.com to see for yourself exactly how much money you can save.



David Bach

Interview with David Bach, best-selling financial writer and special advisor to Scotiabank

David Bach is the author of several national bestsellers, including *The Automatic Millionaire*, *Smart Couples Finish Rich* and *Smart Women Finish Rich*. David's *FinishRich Seminars*® are now the leading financial seminars in North America. He has partnered with Scotiabank as special advisor for our exclusive find the money promise to customers.

Q: *David, we live in a culture that encourages us to spend, even when we don't have the money. So we're forever stretching our income. Do we have to change our lifestyles if we want to get ahead financially?*

A: I've been a financial advisor for most of my life and I've coached thousands of people on their finances. What I've learned is that most people have more money than they think. Everyday, people tell me "David, I'm living paycheque to paycheque" and it's impossible to save. Then I share with them the concept of the Latte Factor® - and it changes their thinking. The Latte Factor is the powerful idea that we all waste small amounts of money on little things. As an example it could be a coffee a day, bottled water or a pack of cigarettes. If saved instead of spent - this \$5 to \$10 a day could literally help you get out of debt and become rich. Once you realize what your Latte Factor is you can then focus on the idea of Paying Yourself First, which means taking a percentage of your income and paying it to yourself the way you would pay a utility bill, every month rain or shine. To really make this work - you want to make it automatic - which is something Scotiabank can do for you in minutes.

Q: *You've popularized the idea of 'Pay Yourself First' and 'Make it Automatic.' Can people on average salaries spending paycheck to paycheck really become wealthy doing this?*

A: As I say in my books, the problem is not how much we earn, it's how much we spend. You can ask anyone who got a raise last year if their savings increased. In almost every case, the answer will be no. The concept of 'pay yourself first' can work for anybody who has some income. How much you earn isn't that important. What really matters are these two concepts. Pay yourself first means exactly that. It means taking a percentage of your income and paying it to yourself the way you would pay a utility bill, every month, rain or shine.

In order to make this easy to do, you should make it happen automatically, so there's no question that it will get done continuously, without having to think about it each time it happens. Use payroll deduction, pre-authorized contributions, direct debit, whatever method you can find to put an automatic savings system in place for yourself. These concepts alone can save you thousands of dollars over time.

Q: *Can my bank help me to find the money?*

A: Your bank can be and should be one of your greatest allies in helping you manage your finances, and build wealth. Scotiabank has demonstrated through their find the money promise to customers that their objective really is to help customers become financially better off. Scotiabank and I believe in the same methods. That's why I have agreed to become part of Scotiabank's campaign to help customers 'Find the Money.'

Visit our new and exclusive www.findthemoney.scotiabank.com website to find out how you can make a few small adjustments that can result in big savings.