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## How to Start An Investment Plan

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Wouldn't life be better if it was easier to get ahead? For many, there's just too much month left over at the end of the pay cheque. After all, you've got a mortgage or rent and utilities to pay, food and clothes to buy, and a vehicle to operate.

First, let's understand the difference between saving and investing. Deposits in a savings account are for short-term goals like a vacation, new furniture or a killer home entertainment system. Investing is for our long-term goals, like education or retirement. It is very important that we don't disturb our 'nest egg' or else our future plans won't be able to hatch.

Second, it's important to set goals for both our short and long-term plans. After all, how can we expect to hit the mark if we don't have a target to shoot for? It helps to write our goals down.

And, third, we must take action to reach our goals. You don't need a lot to get started. After all, the best way to eat an elephant is one bite at a time.

Okay, so you've set a goal and want to begin an investment plan. Where's the extra money going to come from? Let's see what others have done:

Rob quit smoking and started putting his daily 'savings' into a jar on top of the fridge. After two months, there was

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over \$300 in the jar and he didn't even notice the money missing. He then set up an automatic monthly deposit RRSP plan and, at 8% compounded annually, his \$150 per month will grow to \$88,353 in 20 years.

Deanna bought her lunch every day. When her favorite restaurant raised their prices, she reviewed her budget. By making her own lunches, but still treating herself on Fridays, she was able to free up \$200 per month. Invested at 8%, she will have \$190,205 in just 25 years.

Kurt and Karen went to a movie every Saturday night. Admission and snacks cost about \$35 every week. By simply cutting their movie going in half, they are able to put aside \$900 more per year. In 35 years, again at 8%, they will have an extra \$155,000. The drop in revenue is not hurting Hollywood.

Terry had a large latte every day. At four bucks each, it didn't seem like much. He decided to have one every other day instead and put the difference aside. The two bucks a day invested at 8% will grow to over \$20,000 in just over 15 years.

Lifestyle expenditures are the easiest place to find the 'extra' money to start or increase an investment plan. Here are some tips to help improve the chance of success for your investment plan:

1. **Start Right Away.** It's so easy to put things off, especially if there are no obvious consequences.
2. **Make it Automatic.** Set up a pre-authorized withdrawal plan for your investments. You can even have deposits made every payday.
3. **Stick With Your Plan.** Obstacles can get in our way. Make adjustments and you will get by them.

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## Want help getting your investment plan going?

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