Saving for a rainy day

Many Canadians are living paycheque to paycheque – it's just a reality of life.

However, if something devastating occurs, like an accident, they have little to nothing to fall back on.

The old adage of saving for a rainy day is important. We all need to have some money set aside because those rainy days can last for months, even years.

How do you that? It is about making wise choices. Rather than rushing to pay off your mortgage, you should take advantage of low interest rates and invest that money in a high-yield savings account instead.

I am not a financial adviser and I won't recommend how you should do it, but every bank in Canada is offering to help you with your finances. Do not be afraid to talk to them. Sit down with your local branch and figure out a strategy in case that rainy day (or year) ever comes.

You also need to have a meaningful discussion with an insurance broker about critical illness, disability and life insurance. Insurance is a key part of life. If something happens and you do not have the funds, then at least you have insurance to cover you and your family.

Your local bank also may provide insurance. I cannot tell you how many clients kick themselves after the fact for not getting supplemental insurance. But by then, it's too late.

Insurance can pay your wages and your mortgage and it can provide you with a lump sum to help make ends meet while you're injured. Car insurance does not pay your full income loss unless you bump up your coverage, so people who are injured find themselves stuck when they are out of work.

Do not find yourself in this predicament. Plan now for 'just in case.' ■

Sandra Zisckind provides an educational article for viewing, it should not be construed as legal advice. If you need Legal advice, please contact a lawyer or Sandra Zisckind at 416 850 PAIN