



## These 2 Expensive Things Are Keeping You Poor

### Description

Do you wonder how some people can maintain their wealth or live problem-free because money is not an issue? If you feel you can't seem to get ahead, perhaps you're unaware that you're self-sabotaging your [financial well-being](#). There are expensive things that keep you poor.

### Living in expensive cities

Many Canadians are opting to downsize for economic reasons. Cities like Toronto and Vancouver are the places to be — except that you must have the means to cope with the ever-increasing living expenses. People living on paycheque to paycheque will always be on the edge in these expensive cities.

For one, real estate prices are astronomical compared to average prices over the past several decades. The reported increases since March 2019 versus 2000 are 315.6% and 239.9% in Vancouver and Toronto. Even if you're renting, the costs are prohibitive.

However, you can relocate to less expensive dwelling places. You can check out Rimouski in Quebec, Timmins in Ontario or Quesnel in British Columbia. These cities are among the most affordable places to live in Canada.

### Luxurious lifestyle

Indulging in luxuries once in a while is not bad. However, it's a weakness if it becomes a lifestyle. Sometimes it's absolute insanity to purchase a luxury car to boost self-image. The situation is more delicate if you borrow to satisfy your wants.

But the most dangerous thing is when you seek luxury despite having limited means or resources. You're creating negative habits and [financial problems](#) that will be difficult to correct later on. Don't allow lifestyle inflation to rule. Be practical and live within your means.

## Earn lifetime income

Did you know that investing in dividend aristocrats can create passive income that could easily cover your basic living expenses in retirement? You can forego a lavish lifestyle and build an income for life through **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) or Scotiabank.

The bank stock has a dividend track record of 188 years. Over the last 20 years, the total return is 440.72%. If you invest today, the dividend yield is a high 6.6%. Your \$50,000 can earn \$3,300, and in 15 years, the money will compound 261% to \$130,415.16. It pays to invest in something of value rather than spend on things with zero returns.

Priorities are shifting due to COVID-19. Scotiabank's recent poll reveals that 62% of Canadians favour seeking financial advice now than before the pandemic. One-fourth of respondents want financial advisors to help with their finances. Finally, 51% are reassessing financial goals to prepare for the challenges ahead.

Scotiabank CEO Brian Porter Bank is happy to note that 99% of its mortgage borrowers with expired deferrals are current on their payments. The bank's exposure to mortgage deferrals went down 27% to \$30 billion as of July 31, 2020.

## Find contentment

Luxury can cloud your perception of happiness. Never buy the idea that you'll be rich all time. Often, lifestyle is the problem, and mindless excess could lead to poverty. The better approach to find contentment is to strike the right balance. Keep everything in moderation. Comfortable, not extravagant, should be enough.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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