

+ Share

3

More

Next Blog»

Create Blog Sign In

SERIOUS TAX INSIGHT.

*With a little
humour
on the side.*

The BLUNT BEAN COUNTER

The Blunt Bean Counter is a tax expert who shares 25 years of experience on his tax blog.



My name is Mark Goodfield and I am a tax partner and the managing partner of [Cunningham LLP](#) in Toronto. This blog is about income tax, business, the psychology of money and investing topics and is meant for taxpayers no matter their income bracket, but in particular for high net worth individuals and entrepreneurs who own private corporations. I also blog about whatever else crosses my mind; I have to entertain myself. This is my personal blog and the views and opinions expressed in this blog do not reflect the position of [Cunningham LLP](#). I am blunt and opinionated (at least for a Chartered Professional Accountant). You've been warned.

The blogs posted on The Blunt Bean Counter provide information of a general nature and should not be considered specific advice, as each reader's personal financial situation is unique and fact specific. Please contact a professional advisor prior to implementing or acting upon any of the information contained in one of the blogs.

Wednesday, May 7, 2014

The Burden of Singledom Part II - Average Salary Syndrome

Today, I am posting Part 2 of [Rona Birenbaum's](#) series on The Burden of Singledom. I thank Rona for her guest posts.

The Burden of Singledom Part II - Average Salary Syndrome

By Rona Birenbaum

Part 1 of this series highlighted the financial planning challenges unique to those living single.

There is an additional burden if the single person earns an average wage and is raising one or more children. The average wage in Canada is \$48,250 per year (*Statistics Canada – January 30, 2014 report). Nationally, the average ranges from a high of \$69,500 in the Northwest Territories to a low of \$39,450 in Prince Edward Island. In Ontario, where most of our clients reside, the average is \$48,800. There is no question that at that level of income, let alone a below average income, raising children and covering the basics can be a challenge. There is rarely anything left over for retirement savings.

It may be this group of Canadians that Provincial governments are focused on as they push for additional pension plan options for Canadians beyond the Canada Pension Plan (CPP). The Federal government is not in favour of an across the board increase, leaving it up to the individual provinces to introduce their own enhanced pension plan structures.

Whether or not there is an enhancement to the CPP or the introduction of supplemental provincial programs, it will require increased contributions by both employees and employers. It will be short-term pain for long term gain.

About Me



The Blunt Bean Counter

I'm a sports fan, avid traveler, epicurean and accountant. I hope my blog can teach you a couple of things you didn't know about building wealth and that you'll indulge me as I wander into topics close to my heart/stomach. Twitter: @bluntbeancounter

[View my complete profile](#)

Search This Blog

Search

Subscribe via email



So, what financial advice would we give to single working parents earning an average salary?

It's all about increasing income and reducing expenses so that life is affordable now and in retirement as well. Here are some ideas on dealing with both sides of the cash flow management equation.

Boost income

1. Focus on total compensation

This is a key part of the equation. Compensation is more than salary. Employees often underestimate the value of the non-salary benefits that are provided in addition to salary. Such benefits may include:

- Performance based bonus incentive plans
- Stock purchase plans – some offer contribution matching, others offer discounts on stock price
- Health and Dental Benefits
- Group retirement savings programs – those offering company matching of contributions are best
- Tuition subsidies or full payment of relevant professional development courses
- Employee referral bonuses – paid when identifying a potential new employee that is hired
- Inexpensive, optional group life and critical illness insurance
- Flexible hours and working arrangements such as teleworking

All of these programs have material financial value. An individual who has job paying \$48,000 with a number of these benefits is at a distinct financial advantage to one who has a similarly paid job without such benefits.

One of the best financial moves that one can make to improve their overall financial well-being in both the short term and the long term is to position themselves at a company that offers a well-developed employee compensation model that isn't limited to salary alone. Here are what some of the [corporate leaders in this area offer their employees](#).

2. Ask for a raise

As the author, Nora Roberts said, "If you don't go after what you want, you'll never have it. If you don't ask, the answer is always no. If you don't step forward, you're always in the same place." Amen.

To help you get up the nerve, and design a strategy for the big ask, check out this [Globe and Mail article](#) on the subject.

Spend Carefully

Enter your email address:

Subscribe

Delivered by [FeedBurner](#)

Pages

- [Home](#)
- [What You Do Not Want To Know About Me](#)
- [Media Coverage](#)
- [Contact Me](#)

The **Plutus Awards**
Celebrating the best in personal finance



Favourite Posts

One Accountant's Humour

- [The Blunt Bean Counter Video](#)
- [Are Accountants Really Boring?>](#)

Audits and Being Audited

- [How long do I have to keep my tax records?](#)
- [CRA audit, will I be selected?](#)
- [The CRA's Matching Program-You May be Assessed a 20% Penalty](#)
- [Dealing with the Canada Revenue Agency – part1](#)
- [Dealing with the Canada Revenue agency – Part 2](#)

Business

- [Advice for Entrepreneurs](#)
- [Business and Income Tax Issues in Selling a Corporation](#)
- [Proprietorship or Corporation - What is the Best for Your \(New\) Business](#)
- [Should You Transfer Your Sole Proprietorship into a Corporation](#)

Executors

- [Speak to your Executor](#)
- [So you want to be an executor](#)
- [You have been named an executor, now what?](#)
- [Is a Corporate executor the right](#)

Spending carefully is more empowering than having to “spend less”. Living luxuriously is not the reality of the average earning single parent. What does careful spending look like?

- Netflix vs cable
- City subsidized children’s activities
- Welcome quality hand-me-downs
- Cook at home and bring lunch to work
- Avoid ATM fees and other nuisance convenience banking charges
- Always ask for a discount! Nora Roberts’ quote applies equally well here. Here is another handy Globe and Mail article to [reference](#).
- Take transit versus owning/leasing/financing a car – if practical.
- Pay with debit, avoid credit at all cost unless you can diligently pay the card in full every month and only use the card to collect points of some sort.
- Encourage children to get a part-time job when age appropriate (around age 16) and allocate at least half towards an education savings account.

As you can see, even an average earning person living single with or without children can take steps to improve their financial situation now and in the long term as well.

Rona Birenbaum is the founder of Toronto fee for service financial planning firm, Caring for Clients. Rona is frequently contacted by the media as a resource on a wide range of financial planning subjects. This information is general in nature and is not intended to constitute specific tax advice for any individual. It is best to speak to your tax professionals for specific advice.

Labels: [asking for a raise](#), [boosting income](#), [Caring for Clients](#), [employment benefits](#), [financial planning](#), [Rona Birenbaum](#), [single](#), [single parent](#), [spending](#)

© All rights reserved. The Blunt Bean Counter at 6:30 AM

 +3 Recommend this on Google

No comments:

Post a Comment

Comment as:

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)

[choice?](#)

Family Cottage

- [Cottages - Cost Base Additions](#)
- [Transferring the family cottage-part 1](#)
- [Transferring the family cottage part 2](#)
- [Transferring the family cottage – part 3](#)

Investing

- [Investment Websites of Note](#)
- [Resverlogix- A Cautionary Tale](#)
- [Common Investment Errors](#)

Money Psychology

- [Investment Bravado and Little White Lies](#)
- [What is Keeping You Up at Night?](#)
- [Are Money and Success the Same Thing?](#)
- [Are Money and Success the Same Thing? Part 2](#)
- [Are You Selfish With Your Money?](#)

Personal Finance and Financial Education

- [Reading financial statements for dummies](#)

Retirement

- [How Much Money do I Need to Retire –Part 1](#)
- [How Much Money do I Need to Retire –Part 2](#)
- [How Much Money do I Need to Retire –Part 3](#)
- [How Much Money do I Need to Retire –Part 4](#)
- [How Much Money do I Need to Retire –Part 5](#)
- [How Much Money do I Need to Retire –Part 6](#)

TFSA’s

- [TFSA’s I opened the account now what?](#)
- [TFSA Consusion](#)
- [Canadians Continue to Break TFSA Rules](#)

RRIFs and RRSPs

- [The RRSP Hullabaloo](#)
- [Should I stay or should I go?](#)
- [The kid in the candy store](#)

Tax Topics and Tax Planning

- [Personal Service Corporations](#)
- [Should your Corporations Shareholder be a Family Trust or a Holding Company?](#)
- [Should your Investment Income be earned in a Corporation?](#)
- [Transferring Property Among Family Members – A Potential Income Tax Nightmare](#)
- [Salary or Dividend? A Taxing Dilemma for Small Corporate Business Owners](#)
- [Part 2 – Salary or Dividend? Numbers, Numbers and more Numbers](#)
- [Part 3 – Salary or Dividend? Issues to Consider](#)
- [The Taxation of Automobiles](#)
- [Tax-Loss Selling - Everything You Wanted to Know](#)
- [How to Save Tax with](#)