



Almost missing the dream

We've all seen those commercials on TV where the big banks offer second opinions on customer's finances. While they might be able to read the name on your coffee cup, are they really delving into the details and providing a full financial plan?

I got a call from one of my long-term clients asking me if I would meet with her sister and brother-in-law. When Debbie and Mike walked into my office, they were looking pretty dejected. They had been in to see their investment representative at their bank to inquire whether they could retire soon and pursue their dream of living at the lake. Their investment rep told them flat out they would need to work another five years before even considering it – FIVE years!!

Debbie and Mike are in their early sixties and have been saving for years: decent pensions, RRSP's, TFSA's. I gathered all the info I needed to put together a Personal Financial Action Plan (PFAP). Their plan included income projections from CPP and OAS entitlements along with the income they would receive from their pensions and investments. Until we looked at what their income from all sources would truly be, we couldn't determine if they could retire to the lake.



Doug Buss, CFP, CLU, CPCA

The next time they walked into my office, I had the pleasure of informing them that their dream was attainable. Believe me, it was cause for celebration. They could indeed afford to retire, sell their home in the city and move to the lake. They had saved enough to fulfill their dream while still maintaining their current lifestyle. All it took was the effort and know-how to put their plan in place. I met with Debbie and Mike a couple more times to ensure that their estate plan had also been addressed.

Instead of almost missing the dream.....Debbie and Mike are living their dream. Follow Mike and Debbie's journey inside.



Fewer private-sector workers contributing to pension plans

The number of taxfilers contributing to an RRSP has also fallen

The proportion of private-sector workers with registered pension plan (RPP) coverage continued to decline between 2006 and 2016, according to a report published Thursday from the Office of the Superintendent of Financial Institutions (OSFI).

Just 23% of private-sector workers belonged to an RPP by 2016, the report says, down from 26% in 2006.

In the public sector, the proportion of pension coverage increased from 84% to 88% over the same period.

The number of taxfilers who contributed to an RRSP fell between 2006 and 2016, the report says. The proportion who contributed to an RRSP slipped to 23% from 27%.

Meanwhile the share of taxfilers who contributed to a TFSA (which were launched in 2009) grew from to 30% in 2015 from 19% in 2009. Almost half (49%) of taxfilers now have a TFSA, the report says.

What's
important
to you

Kids investing earlier than their parents



Canadian kids are managing their money sooner than their parents did but achieving financial independence later, according to a poll from Toronto-based Canadian Imperial Bank of Commerce (CIBC).

Most parents (73%) are hesitant to talk to their children about money because they're insecure about their own financial habits and fear they lack the knowledge and skills to do so effectively, the poll found.

On average, kids open bank accounts (age 10), receive allowances (age 9), manage their own money (age 14) and learn about their parents' finances about two years earlier than the previous generation did. Even so, survey respondents said kids aren't fully responsible for their finances until about age 20, in comparison to their parents, who were flying solo at about age 19.

Interestingly, the poll found that kids are starting to invest at about age 15, about six years earlier than their parents did, at an average age of 21.

It's encouraging that parents are getting their kids on the right track early on, but setting your kids up for financial success is more than just opening a bank account and giving them money to manage on their own. It's also about having frequent conversations about money matters, which can be tough to do if you don't feel comfortable with your own finances.

Therein lies the rub: though 93% of respondents said parents need to do a good job managing their own money to set a good example for their kids, many are carrying credit card debt and struggling to stick to a budget.

This is where a financial advisor can be of service. You don't have to have all the answers, but seeking out expert advice together from your financial advisor can improve your family's financial literacy and confidence as a whole."

Consider what new skills your kids need to manage their money online and responsibly use debit cards and mobile wallets. Have them watch their account balance grow and shrink in real time after every deposit or purchase. You can also help them set up savings goals online where they can gain the satisfaction of watching the progress they're making as they work towards their goals.

Doug's advice: Start talking to kids about money early, save for their educations, teach relevant lessons at kids' various stages of development, and empower them to make their own decisions about money. Parents who are stressed about their finances should also seek expert advice to get their own financial lives on track.

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Canadians unwilling to give up daily luxuries for life insurance

Three-quarters (74%) of Canadians stay awake at night worrying about their finances but only 25% would give up a daily coffee in exchange for the increased financial security of life insurance, according to survey results published by RBC Insurance.

Nearly four in 10 Canadians aren't covered by life insurance, the survey finds. But even so, relatively few respondents say they are willing to forego specific luxury or convenience items in exchange for life insurance coverage.



Of those who say they are, 35% would sacrifice a dinner out per month, 34% a trendy clothing item, 28% buying lunch at work one less time per week, and 35% a bottle of wine or case of beer.

It only takes small lifestyle changes, such as making coffee or lunches at home, or even buying one less item to afford coverage that can help Canadians sleep at night. These are small sacrifices that could provide future financial security for family and loved ones should you pass away, and save them from potentially facing long-term financial hardship once they can no longer depend on your income.

Canadians without insurance expressed lower levels of confidence in their families' ability to pay for basic needs in the event of unexpected death, including:

- Food, clothing and other necessities (67% are confident their families could cover the costs, versus 87% with coverage);
- A car/transportation (60% versus 75%);
- Mortgage/rent/housing costs (54% versus 71%); and
- Childcare/education (51% versus 73%).

No matter whether you are single, a newlywed or raising a family, younger Canadians can benefit from the financial security life insurance coverage provides, for the cost of just a couple of lattes each week.

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Living the dream....

With their plan in place, Doug introduced Debbie and Mike to realtor's Jeff and Colette of TeamBrown.ca.

Mike and Debbie owned a beautiful home in River Park South that they were preparing to sell. They had previously met with two other realtors and had already made a choice. However, once they learned of TeamBrown.ca's special services and preferred commission rate, they were proud to select us to sell their home.

At our first meeting, we discussed the work needed to be completed prior to listing. We immediately took the bull by the horns and got our handyman service on the job and the work was completed. Next, on a beautiful spring day we arranged for professional pictures and video: Debbie and Mike's home was brilliant. However, the day before the showings were to start, they had a small water issue. Our handyman service was able to repair it that day. Boy, were Mike and Debbie impressed!

There were 34 private agent showings and over 40 groups attended our two open houses. It was a zoo in there! Offer night was a huge success. Not only did we receive multiple offers but were able to **achieve a condition free offer that was \$21,350 over the list price**. Our clients were over the moon – and so were we!

We continue to be friends on Facebook and it brings us great joy to see them in their retirement home at the lake which they've invited us to visit this summer.

If you're looking to buy or sell your home and looking for an incredible and professional real estate experience, you can count on TeamBrown.ca -- YOUR KEY TO REALTY.



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Nature of retirement is changing, survey reveals

Canadians are extending their working years



It's the "end of retirement as we know it," according to a report released by Bank of Montreal (BMO) Wealth Management. As Canada experiences longer life expectancies, low fertility rates and,

as a consequence, an aging population, the nature of retirement is changing.

Based on a survey of Canadians aged 55 and over, the report finds that Canadians are extending their working years, as 47% of respondents are afraid of running out of money and 51% are worried about the health problems that can come with living longer (and the associated costs).

In order to have the long and fulfilling retirement that most Canadians want, effective financial decisions and plans

need to be made about savings strategies, retirement and estate planning goals.

YourStyle Financial offers a few tips for people navigating these decisions in 2018. First, communication between spouses and partners is critical. Weighing compromises and doing financial planning together can help both partners achieve their financial goals.

Additionally, gifts or support for adult children or grandchildren should be weighed within a larger context to ensure they don't compromise stability in retirement. Those approaching retirement should consider the cost of healthcare and long-term care, have a tax-effective decumulation strategy (that includes income-splitting if applicable), plan for charitable giving and have proactive conversations with legal professions about wills and estate planning.

Finally, work with a qualified Financial Planner to ensure you have a plan that works for you.

6 Things Dietitians Love about Canada's New Food Guide



Canada's Food Guide has changed—and for the most part, dietitians couldn't be happier. This 2019 update is less prescriptive than past versions and uses the healthy or balanced plate model which dietitians have used for many years as a guideline for their patients. Of course, it's hard to create a guide that works for everyone.

1. It's less complicated

The plate breakdown highlights how we should build every meal. The visual is great because it doesn't involve portions or counting, and it works with all varieties of diets, cultures, and whether you're eating out or cooking at home.

2. It focuses on proportions, rather than amounts

Every person is different, and everyone needs to eat different amounts of food to fuel themselves properly. Rather than setting a prescriptive amount of food, the guide makes it clear that regardless of how much one eats, we should all be filling half our plates with veggies (or fruit) at every meal.

It also emphasizes that we should always include a good source of protein at each meal and encourages high-fibre starches (the grain section of the plate).

3. It emphasizes plant protein

Whether or not you're an omnivore, plant-based proteins are a healthy choice. Plant proteins provide us with a rich variety of micronutrients and fibre, in addition to protein. This guide clearly shows plant proteins equally as prominent as animal proteins.

4. Water is front and center, and it gets rid of juice!

Dietitians everywhere are rejoicing — finally, we're not counting juice as fruit.

While fruit juice may contain some vitamins and minerals, it's also a concentrated source of sugar, which is something most people could reduce.

5. It emphasizes how to eat, as well as what to eat

Believe it or not, there's more to healthy eating than just what you eat.

Cooking, mindfulness, eating socially and actually enjoying your food are all very important when it comes to having a healthy relationship with food. In North America, cooking is often viewed as a chore.

Learn to enjoy food preparation, eating with friends and family, and slowing down to be mindful of your eating habits. This comes naturally to our European counterparts — many of whom report lower levels of obesity and health issues than in North America.

6. It discusses food labels and marketing

It's a great reminder that we all need to pay more attention to the ingredients list and nutrition facts on food labels. The updated guide highlights that as a society, we need to be aware that pretty packaging and commercials don't tell us much about the quality of the food we're buying. If we want to be healthier as a population, we need to start paying attention to what's going in our body, and voting with our dollars.

In Food for Thought by Heather Woodward



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