



A Road Map to Well-Being: The Value of Financial Planning

A study called *The Value of Financial Planning* revealed that Canadians who engage in comprehensive financial planning report significantly higher levels of financial and emotional well-being than those who do no planning or only limited planning.

Those with comprehensive plans feel:

- More on track with their financial goals and retirement plans
- That they have improved their ability to save in the past five years
- More confident that they can deal with financial challenges in life
- Better able to indulge in their discretionary spending goals



Doug Buss, CFP, CLU, CPCA

At YourStyle Financial, we provide clients with Personal Financial Action Plans that include **income projections**. These plans include retirement income for which you are eligible **from all sources**.



My job is to help you stay on track with your financial affairs, so you can make informed choices regarding your financial future.

Till next time....

What's
important
to you



As baby boomers contemplate and approach retirement, the most often asked question I hear from my clients is "**Will I have enough?**" With RRSPs, RRIFs, pension plans, spousal plans,

OAS, CPP and so on, it can be confusing. That's where we come in to play.

Maintain Marital Bliss by Following These 5 Money Management Principles



Marriages suffer when there is financial stress. Sometimes they fail. In Canada, where the divorce rate is 48%, money issues are often cited as a contributing factor in a relationship's downfall. But there is so much that you can do to start your wedded life on solid financial footing, and it all revolves around

honest communication.

The vow, for richer or for poorer, shouldn't be the first financial discussion you have with your partner before saying I do.

With wedding expenses in the thousands of dollars, it's not surprising that money issues start causing tension even before the big day. But a couple may naively assume that it's all part of the wedding planning stress and that things will settle down once they fly off on their honeymoon.

The truth is, the first three years of marriage are fraught with the expenses of setting up a home, and

establishing a career, coupled with blending spending and saving habits that may be very different. Even couples that lived together in financial harmony before marriage, can be surprised by financial differences now that they are planning a future. Many people assume that once they are married they will have the same priorities; when in fact one partner may want to enjoy more travel and social events before they "settle down," and the other may want to trim expenses and save for a home.

With summer just around the corner – a time when many couples get married– here are five ways to make money a point of foundation in your marriage:

- Start the conversation well before the wedding;
- Understand where the money goes;
- Agree who pays for what;
- Determine who will manage the money; and
- Keep on talking

If you and your partner are planning on tying the knot and would like to get off to a great start, let us help you with the basic concepts, cash flow management and financial planning.

Positive Thinking = Better Heart Health

Adopting a positive outlook on life could help save you from a heart attack, even if you're at high risk.

Researchers at Johns Hopkins tracked 1,483 people whose siblings had heart attacks or had died suddenly from a heart related ailment before they were 60 years old. After 12 years, the investigators found there had been 208 coronary events among the study participants and that those with the most positive outlook had a one-third lower risk of experiencing heart related problems. In addition, they reported that participants at highest risk for heart problems, but who had the most positive attitudes, had an almost 50 percent lower incidence of coronary events compared to their high risk peers with less positive outlooks.

Following this study, the investigators reviewed 16 years of data from 5,992 people in another study

and found a 13 percent reduced risk of heart problems among those with upbeat attitudes.

The Hopkins team used a survey tool to evaluate the outlook, energy and anxiety levels of the study participants. Although they haven't pinned down the exact connection between heart health and positive thinking, the investigators suggested that an upbeat outlook on life might help protect people against the inflammatory damage of stress.



Source: Lisa R. Yanek et al, "Effect of Positive Well-Being on Incidence of Symptomatic Coronary Artery Disease." American Journal of Cardiology, October 15, 2013, dx.doi.org/10.1016/j.amjcard.2013.05.055



Insurance

CANADIANS OFF WORK DUE TO A DISABILITY FACE A PERFECT STORM



43% Canadian working households have had someone take time off work due to disability



1 in 3 Canadians will experience a period of disability lasting longer than 90 days during their working lives*

BEING OFF WORK TAKES A FINANCIAL & EMOTIONAL TOLL



48%
Canadians not financially prepared to be off work



78%
Canadians said finances were tight when off work



81%
Canadians upset about not being able to work

STRESS ON THE FAMILY



76% said it was stressful for the entire household



50% said family relationships were strained



31% said their able partner had to find extra work to make ends meet



EMPTYING THE PIGGYBANK

29% dipped into savings to pay for expenses
17% borrowed money from family and friends
17% took on more debt
9% cashed in RRSPs

TIPS TO HELP WORKERS OFF WITH A DISABILITY



- Investigate how your workplace benefits define a disability, and what is and isn't covered. Ask about employee assistance programs.
- Be proactive and formulate a "return to work plan" with your employer and family.
- Ask your medical professionals about services or programs that are available to make sure you're getting the care you need to recover.
- Explore your 'Return to Work Benefits' such as financial planning, job search and retraining, rehabilitation and other services to help make a smooth transition back into the workplace.

© / TM Trademark(s) of Royal Bank of Canada. Used under license.

RBC Insurance commissioned Ipsos to conduct a survey to gauge public opinion of Canadian workers regarding matters related to disability, financial preparedness around disability and attitudes towards disability. The survey was conducted between June 12 to 19, 2015. In total, a sample of n=1,500 working Canadians was surveyed online using Ipsos' I-Say online panel. The precision of Ipsos's online survey are measured using a credibility interval, in this case the results are considered accurate to within ± 2.9 percentage points, 19 times out of 20, had the entire population of Canadian workers been polled. *Commissioners disability table A.

Dwain's Dialogue



Using Whole Life Insurance

Insurance plans must be able to withstand the pressures of time, while delivering what was promised years earlier. So how do you determine which ones will work both today and tomorrow?

Looking back, we see

whole life (WL) has performed well through economic ups and downs.

History Lesson

All contracts used to be term insurance plans, so you'd get insurance protection for limited periods.

But people wanted more coverage, so actuaries developed WL plans. Contracts are effective as long as the person's alive. As the policyholder, your premiums go to a fund from which death benefits and expenses are paid. Any excess is credited back to you in the form of dividends. You can take the dividends as cash, or you can use them to increase your death benefits or reduce your premiums.

WL policies can be participating or non-participating. The values of non-participating contracts are usually determined at issue, and all risks of future performance are borne by the company. If the insurer underestimates future claims, it has to make up the difference. If the insurer has fewer claims than expected, it gets to keep the difference.

In participating policies, any excess profits are refunded to policyholders. Also, participating funds tend to be heavily invested in fixed income and, as a result, tend to exhibit low volatility.

Insurers developed another type of insurance, universal life (UL), in the early 1980s, in response to investors. They wanted more transparency and the ability to invest their funds tax-efficiently. UL allows you to purchase a plan and pay guaranteed fixed premiums for life. You can also deposit excess funds

and select your own investments.

In that era of high interest rates and supercharged market returns, this seemed a perfect combination — guaranteed life insurance with tax-sheltered growth, and the ability to invest in index funds, mutual funds and guaranteed interest accounts. Performance was no longer linked to the insurer, but to outside investments selected by the policy owner.

In the 1980s and 1990s, UL far outpaced WL. However, that could last only as long as markets remained heated and interest rates remained high. The 2008 crash turned the tide on UL rates. Suddenly, the low volatility of WL plans and their newly respectable rates of return made these products the favourite. Today, WL remains at the forefront of insurance sales, though UL may again become a better choice if interest rates rise and we enter an extended bull market. The current crediting rate for WL is about 6%; as long as investors are satisfied with that return, WL remains viable

As published in Advisor.ca April 17, 2015

Who do you know who needs help understanding which insurance plans are right for their situation?



Dwain Ste. Marie, Marie, Maria DeRosa, Loreen Buss, Doug Buss, Lindsay Boychuk

1-B 2020 Portage Avenue
Winnipeg, MB R3J 0K4

Office: 204 474 2929
Fax: 877 223 2936
Toll Free: 877 895 3258
Email: maria@yourstylefinancial.ca

yourstylefinancial.ca

YourStyle
FINANCIAL