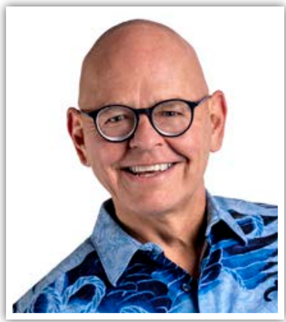
Connect

Fall 2025

Canada's Budget, Inflation and Mental Health



Doug Buss, ***President***
CFP, CLU, CPCA, CEA, RWM, FDFS

How are you feeling about our economy?

Inflation was a key component threading through Canada and Manitoba's recent budgets — and its ripple effects are increasingly felt in mental health. Federally, Ottawa's latest budget signals that health-care transfers to provinces will grow by only a fixed minimum in future years, pegged to nominal GDP rather than cost drivers like inflation. This puts provinces under strain, as real costs for health care are rising faster than the growth in federal funding.

In Manitoba, the picture is especially complex as consumer inflation in 2023 was 3.5%, above the national average, though the province expects it to ease to about 2.5% by the end of 2025. Still, rising prices — particularly for food and services — are squeezing household budgets and contributing to anxiety and stress for many families.

The province is responding with a record **14.2%** increase in health spending, including investments in mental health such as more workers, more detox beds, and sobering sites.

However, critics argue these allocations are not enough. According to the legislature's debates, mental health and addiction services remain underprioritized, and wait times are still too long.

Meanwhile, inflation compounds existing barriers to care. Rising construction and labour costs limit the expansion of community services and staff turnover in mental health services remain high. As households face rising living costs, the demand for accessible and timely mental health support is growing — and the budgets, though bold in parts, may still struggle to keep up.

So, what do we do to manage this? **NOW,** is the time to review your spending in all areas:

- Fixed Expenses – Mortgage/Rent, Hydro, Water, Fuel…
- Variable Expenses – Groceries, Dining Out, TV/Internet, Subscriptions…
- Additional Expenses – Birthday's, Christmas gifts, Trips…

It is crucial to look at what you are spending before you can determine where you can cut back, when/if needed.

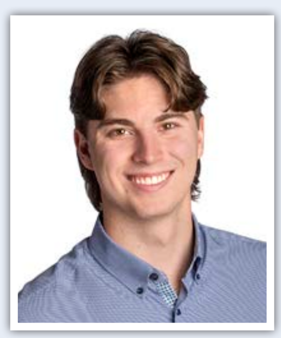
This isn't a doom and gloom scenario; this is just reality so you can **Live for Today and Plan for Tomorrow.**

PS> The 2025 budget did not include any further measures around a wealth tax, changes to corporate tax rates, changes to capital gains inclusion rates, a reduction to the RRIF minimum withdrawals or any increases to personal tax rates.

Til next time…

What's important to you?

Introducing Nicolas Dubois



If you have been in the office since May, chances are you've already met Nico. We are so pleased to welcome him to the YourStyle family and know he will continue to be a great fit with our team.

Nico is currently completing his Bachelor of Commerce degree at the University of Manitoba and finishing his Insurance License (LLQP) program by the end of the year. Beginning in January 2026, Nico will be transitioning into a full-time Advisor role in which he plans to complete both the Certified Executor Advisor (CEA) and Real Wealth Management (RWM) designations. As Nico gets more familiar with the YourStyle planning process, he will be working closely with Doug to hone his skills. We are so excited to have a young man with Nico's talents and enthusiasm join the team.

Fight over family cottage ends in forced sale

Sean McDermid, CEA, FIC, RWM, Financial Advisor

Court rules that 20-year-old will results in co-ownership of cottage, allowing siblings to force its sale

The Ontario Superior Court of Justice has ordered that a family cottage, that was handed down more than 20 years ago, must be sold. The decision comes after 2 siblings sued their sister to remove her as the trustee of their mother's estate and force the sale of the cottage, which was passed down to them over 20 years ago.

The mother hoped the cottage would remain in the family and be shared among the children. If one of them didn't want to share ownership, her will allowed them to opt out in exchange for $ 5,000.

At that time, none of the children opted out, however now 22 years later, two of the three siblings wanted to sell. Their sister, the trustee of the estate, opposed the sale and sought to buy them out for $ 5,000 each, as the will allowed.

The court argued that since the will wasn't drafted more clearly, it is left to the court to interpret the mother's wishes more than 20 years after her death. They concluded that the buyout is no longer an option. Specifically, the court stated that the provision allowing any child to opt out of co-owning the cottage in exchange for $ 5,000 from the estate was a one-time opt-out option rather than an ongoing possibility.

As a result, the court declared that the will "creates a situation of a joint tenancy," which means that the siblings co-own the property and that any one of them can force its sale.

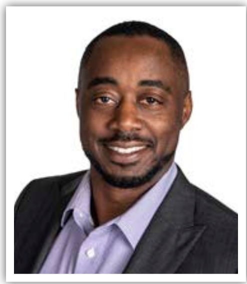
However, since the one sister had lived at the property full time, maintained it alone, and paid the property taxes personally, she allowed the value of the cottage to grow over the past 20 years. As a result, the siblings forcing the sale stand to gain from the time and efforts from their sister. Because of this, the court decided that the proceeds of the sale should not be shared equally among the children.

They said it's up to the siblings to agree on a fair division of the proceeds but left it open for them to return to court if they can't agree.

This unfortunate scenario is a testimony to the importance of a clear and detailed will, drafted by professionals. It also illustrates the importance of financial & estate planning as soon as possible to ensure that family disputes like this, can be resolved before they even happen.

Should I pay my mortgage down faster?

By Ken Odidison, CEA, RWM, Financial Advisor



Most homeowners will have asked themselves, "Should I pay off my mortgage early?" The short answer is yes. While it may be tempting to stretch out the term of your mortgage to keep your payments down, it will cost you more in the long run.

Why pay off your mortgage early?

Paying off your mortgage early frees up money and helps build the equity in your home faster. The sooner you pay off your mortgage, the more you'll be able to save for retirement. The psychological impact of seeing your mortgage going down should not be understated either as it can reduce stress and anxiety.

Mortgage amortization periods range from 15 to 35 years. A longer amortization will result in lower payments; however, it will take longer to pay off the mortgage resulting in potentially thousands of dollars worth of additional interest.

Here are a few simple ways you can pay off your mortgage faster:

1. Make accelerated bi-weekly payments

Instead of making monthly payments, split your monthly mortgage amount in half and start paying that amount bi-weekly. This is referred to as "accelerated" bi-weekly payments. You end up making a total of 26 payments per year—or two extra payments—in a 52-week period.

This is different from a "regular" bi-weekly payment, where the monthly mortgage payment is multiplied by 12 months and then divided by 26 to come up with a "regular" bi-weekly payment.

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Should I pay my mortgage down faster?

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2. Round up your payments

Whether you're paying bi-weekly or monthly, round up your payments—so instead of paying $461.50 every two weeks (on the balance remaining on your mortgage), round it up to $500. You'll barely notice the extra $38.50, but that small amount will add up over time, shaving years off the amortization schedule and saving you thousands in interest.

Note that the round-up amount is considered a principal payment and will go towards the maximum amount that you are allowed to prepay on your mortgage every year.

3. Make an annual lump-sum payment

Most closed mortgages allow you to make at least one (in some cases multiple) extra lump-sum mortgage payment annually, without penalty—if you don't exceed the maximum amount allowed in your mortgage agreement. This payment is applied to the principal which helps you pay off the mortgage faster and save on interest.

4. Refinance a shorter-term mortgage

A straightforward way to reduce the amount of time it takes to repay your loan is to shorten the term of your mortgage. When it comes time to renew, for example, you could refinance to a 15-year mortgage instead of a 20-year mortgage. This would, of course, increase your payments, but you'll save a mountain of interest, and pay off your mortgage five years sooner.

When is paying off a mortgage early the wrong choice?

Paying down your mortgage early isn't feasible for everyone. If you have high credit card debt, no retirement savings or no emergency funds, you may be better off attending to those financial concerns first. Make sure to consult with your financial advisor to help determine your priorities and assess all your options.

The rise of sauna culture in Canada

By Loreen Buss, Vice President, B. Comm (Hons)

Sauna culture is quickly gaining popularity, but the tradition of sweating in an enclosed space is nothing new. Indigenous people have used sweat lodges as sacred spaces for introspection, meditation and spiritual healing, for years. The modern approach to sauna rests on the combined benefits of enhanced well-being and a sense of community.

Medical research has also bolstered sauna's profile in recent years. The use of a sauna has been linked to reduced risk of **heart disease** which is a leading cause of death in Canada. However, before starting the practice, it's important to note that it might not be suitable for everyone. If you're pregnant or have any medical conditions, consult your doctor to ensure it's safe to participate.

In 2015, a cardiologist and professor at the University of Eastern Finland, released the results of a 20-year study of 2,315 Finnish men. It found that those who used a sauna two to three times a week were **22%** less likely to die from cardiac arrest. Men who used a sauna four to seven times per week saw a **63%** reduction. Since then, other studies have shown that heat therapy is also linked to a decreased risk of **dementia, including Alzheimer's disease, and stroke.**

It must be noted that it is easier to adopt this practice in a country such as Finland, however, the practice has grown in popularity in North America with modern saunas, bathhouses and Nordic spas popping up in our own backyard like Thermëa Spa Village's located in Quebec, Ontario and Manitoba.

While science does not support the popular claim that using a sauna is a "detoxification" method, research does show that the practice is linked to better vascular and heart health and decreased inflammation. A research at the Montreal Heart Institute found that "Blood pressure goes down during the sauna, but it also stayed lower up to roughly an hour afterwards." The team also noted improvements in vascular health as study participants' blood vessels became more reactive post-sauna.

When our body's temperature increases, it reacts by trying to maintain our core temperatures. To lower its internal temperature, the body will send more blood towards the skin and produce more sweat. Consequentially, the heart must work harder, which is why heat therapy can be seen as a form of **"exercise for the heart".**

Studies have also linked sauna usage to better mental health, particularly in those with mild depression, as heat can also trigger a release of serotonin.

How to avoid racking up debt this holiday season

By Samantha Zurawski, LLQP, RWM, Associate Advisor

With the holidays just around the corner, it's not too early to start thinking about budgeting, and avoiding a potential financial hangover come January.

The holidays are never unexpected, still, many of us avoid thinking about money, and uncomfortable topics like whether we can afford to spend what we did last year.

Acknowledging any potential issues is the first step to addressing them and avoiding the debt cycle. It is crucial to take some time now to assess your current financial situation so you can head into the next couple months more prepared to tackle any potential issues.

Make a savings plan

The ideal time to plan for holiday spending is actually in January, when you're drawing up your budget for the year. Once you have a clear goal, you can start putting money away every paycheck or every month toward that amount. In that sense, it should resemble saving up for a trip, or for a new vehicle.

But that doesn't mean it's too late to start setting aside money now. You can also consider reducing your regular spending or looking into a side gig. A side gig does not have to feel like a second job; it can be a means to an end to meet a specific goal – like saving for the holidays.

Reallocating some of your other savings is another option. Maybe you are saving for a trip that won't be happening for some time, or for something that you don't really need quite yet. Putting that money towards holiday spending might alleviate some of the burden.

Begin managing expectations

If your plan is to cut back this year, it is often helpful to communicate your plans early, even though it can be uncomfortable to explain to loved ones why you're choosing not to participate in a group trip or want to spend less on gifts.

How to set and keep better boundaries this holiday

Ultimately, it comes down to protecting your peace and setting your own boundaries to protect your financial situation. Worrying about what people might think is not worth going into debt. Ultimately, the only thing that matters is what is healthy, realistic and financially viable for you.

Perhaps there are other ways to join in on the fun while keeping your budget in mind. For example, you can maybe join the group's weekend trip for a day rather than a weekend or maybe propose a Secret Santa gift exchange. These are ideas that can help you reframe the holidays, rather than completely taking away from them.

What Questions should I ask my Financial Advisor?

1. **What are your qualifications?** Ask your advisor about their training and certifications. For example, are they a Real Wealth Manager (RWM) or Certified Financial Planner (CFP)?
2. **What is your financial planning style?** Do they take a holistic approach and consider all of your needs and goals?
3. **What is your process?** Processes can vary widely between advisors. Ask them about their research and planning process to learn more about them as a planner.
4. **What tax breaks can I take advantage of?** Good financial planners will be able to help minimize your tax liabilities through various strategies.
5. **How do you get paid?** It is important to understand the various ways an advisor gets paid. For example, are they being paid a fee for service agreement by you or your employer, or through commissions earned from the investment or insurance products you put in place?

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