



Insights

WINTER 2017

More in-depth educator-specific financial tips, articles and resources are available at educatorsfinancialgroup.ca

DID YOU KNOW?

New Year, new investment reports.

Educators' investment clients will notice something new in their mailbox come January – two new reports, designed to help you better understand your investments, how they are performing, and your costs of investing. These new reports reflect recent industry regulations. To be consistent with these new reports, we've changed how your rate of return is indicated from time-weighted to money-weighted.

The more you know about how your investments work, the better.

Educators Financial Group is committed

to providing our clients with the information they need to make informed decisions.

"We believe it's important for our clients to understand how their investments work, so together we can ensure their portfolio is on track to meet all their savings and life goals", says Rob Bickerton, Educators' Financial Planner.

That's why we're pleased to introduce your new **Performance Report**, and **Charges and Compensation Report**, which comply with new industry regulations. The former shows how your investments performed with us as of December 31, 2016, after costs have

been deducted; and the latter provides details about the money received by Educators Financial Group over the past year to provide services to you.

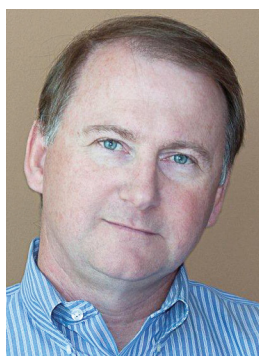
Questions? That's why we're here.

At Educators, it's important to us that our clients' finances meet their needs throughout their lives, whether they're just starting out on a lower pay grid, or getting close to enjoying a long retirement. If you have questions about your portfolio or your new investment reports, we'd be pleased to talk.

If you have questions, call us at **1.800.263.9541** and let's talk about it!

CHUCK'S CORNER

Five steps to financial peace of mind in 2017.



The expression, "the longest journey starts with a single step" is spot on when it comes to finances. You want to get your finances in shape in 2017 – to have

an emergency fund for when the furnace goes, or the car needs new tires; and to know that you're saving enough for the kids' education, or to retire. At Educators Financial Group, we want these things for you too. And the good news is, they're all achievable. You just have to take that first step.

First step: take your financial inventory.

On one side of a piece of paper, list your assets. Include any savings you may have in your banking or investment accounts, the value of your home, car, and collectibles. On the other side of the piece of paper, list your debts, or liabilities – what kind (mortgage, line of credit, credit cards, etc.), how much is owed on each, and the interest rate you're paying for each. Tally up both sides to figure out your net worth (assets minus liabilities). You should do this annually to help determine your financial priorities.

Second step: establish financial goals.

Make your goals as specific as possible. For example, save "X" amount of dollars, or decide how much you want to pay down on your debt. By the way, choosing whether

to save or pay down debt will often have to do with the type – and interest rate – of the debt you have. For example, owing on a credit card that's charging you 29% interest, is a different story than having a mortgage at 4%. It's a good idea to talk to a financial planner to help build your objectives. And you can get help with financial priorities by completing the Financial Kickstart Challenge at educatorskickstart.ca.

Don't miss the next three steps at educatorsfinancialgroup.ca/fivesteps.

Sincerely,

Chuck Hamilton, *President and CEO*,
Educators Financial Group

Have questions or feedback? Email me at: chamilton@educatorsfinancialgroup.ca

New Year's Resolution.

Want to keep better track of your money? Take a tip from businesses, which use cash flow planning to organize their finances. It's a technique that can help everyone, at every income level, so it doesn't matter where you are on the pay grid. It isn't hard, but it does take awareness, changes to your behaviour, and commitment.

Awareness of where the money goes.

Track how much you spend in one month. Many people are shocked to discover how much they spend on coffee and lunches ... not to mention holiday shopping!

TIP: There are numerous online budget templates, like this one: educatorsfinancialgroup.ca/tools. And, you can find more information about budgeting, in The Learning Centre: educatorsfinancialgroup.ca/budgeting

Change your behaviour; the cash you save can help you:

- Pay down debt faster and save on interest charges.
- Develop an emergency fund in a Tax-Free Savings Account (TFSA).
- Help save for a leave, such as a 4 over 5.
- Contribute to a child's education in an Registered Education Savings Plan (RESP).
- Increase contributions to a Registered Retirement Savings Plan (RRSP).

Commitment.

"No plan can be effective without commitment", says Kola Deru, Educators' Financial Planner. "To help you stick with it, try writing down why you want to become debt-free, and set short- and long-term goals".

For more information **speak to one of our financial specialists** to find out how a cash flow plan can help you achieve your goals.

Make saving automatic.

For a long retirement. For a 4 over 5. As an education member, you have a lot of reasons to save ... but union dues and pension contributions may make it hard to put money away. Wouldn't it be great if there were a way to make saving easier, even automatic? There is. It's called a pre-authorized contribution plan, or "PAC".

A PAC makes saving automatic ... and easy.

Do you scramble to find the money for your Registered Retirement Savings Plan (RRSP) before the deadline? (Which is March 1, 2017 for your 2016 contribution, by the way.) Do you keep forgetting to contribute to your Tax-Free Savings Account (TFSA)? With a pre-authorized contribution plan, you contribute automatically, at regular intervals that work for you. For many people, this is once a month, or with every paycheque.

"Most investors find automatic payments to be a very convenient way of ensuring they contribute the maximum to their registered plans, and, because it becomes a habit, they don't miss the money that goes to their contributions", says Colleen Derrick, Educators' Financial Planner.

With a PAC, you're in control.

Before setting up a PAC, meet with your financial specialist to review your goals for your RRSP and your TFSA (which may be quite different), confirm the investments to buy, and how frequently automatic payments will be made.

Interested? You can find out more about a PAC and how it works in The Learning Centre. Visit educatorsfinancialgroup.ca/PAC. Or speak to an Educators financial specialist about setting up a PAC today.

Looking for guaranteed returns?

Fortunately, we offer great rates on Guaranteed Investment Certificates (GICs), find out more at educatorsfinancialgroup.ca/GIC

There is a better way.

Your furnace breaks when it's -5 degrees outside. Your kids – all three of them! – need hockey equipment. There are times when being able to borrow extra money is pretty important. The trick is to borrow wisely. Did you know that there's a technique to borrowing that can save you time and convenience ... as well as hundreds, if not thousands of dollars a year?

Consolidating your debt.

Every month, it's the same. Numerous bills from credit companies, due at different times. Wondering what you'll have left over. The high interest rates charged by many credit companies can be discouraging and make your debt hard to pay off. The good news? There is a better way.

"Many of my clients are surprised and relieved to see how much more quickly they can pay off their debt when they consolidate their loans", says Paul Weston, Educators' Agent-Regional Director.

Spent too much over the holidays?

Consolidate debt to a Secured Line of Credit with a rate as low as 2.35%*, go to educatorsfinancialgroup.ca/LOC

Consolidating high interest rate debt into one, low interest rate line of credit at Educators Financial Group lets you:

- Save money by reducing your interest rate.
- Simplify your finances. Instead of many payments to remember and pay on time every month, you'll have just one.
- Pay off debt faster. Because more of your monthly payment actually pays down your debt (the principal) and less of the money is being eaten up by interest.

Get five helpful tips on managing your debt in The Learning Centre at educatorsfinancialgroup.ca/debt.

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