



Insights

SUMMER 2017

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

DID YOU KNOW?

Friends don't let friends get bad advice.

It's the type of talk you hear over lunch. "I'm paying so much interest on my credit card it's almost impossible to pay it off." "I want to set up an RESP for my daughter but I can't find the money." "I should be saving for my retirement but who knows where to start?" Everyone needs good financial advice. Be a friend, and tell them how Educators Financial Group has helped you.

Did an Accredited Mortgage Professional from Educators Financial Group show you how to consolidate your debt and pay less interest

with a line of credit? Did we help you set up an Emergency Fund in case of a salary disruption, explain how your RRSP best supplements your pension? Or perhaps helped you and your adult kids set up a budget? (Your spouse and children can use Educators, too, even if they're not education members.)

"Nobody knows education members like Educators Financial Group" says Lou Comand, Agent – Regional Director, Educators Financial Group. "After all, Educators Financial Group was established to

help education members get a mortgage when other financial institutions wouldn't service them."

So the next time someone in the lunchroom says they're having trouble saving for their family holiday, or wonders how to reduce the amount of interest they pay on their credit card, tell them about Educators Financial Group. Have them give us a call at 1.800.263.9541. We're here to help.

CHUCK'S CORNER

Calling all parents (and grandparents!)

Which childhood phase is the best? Baby? Pre-schooler? Teen? Parents (and proud grandparents, like me)



know that all stages are special. We never stop helping our kids become the best they can be. This spring, I opened a Registered Education Savings Plan (RESP) for my new granddaughter to help pay for her post-secondary education. (Like all

education members, I am a firm believer in the benefits of a good education!)

Similar to childhood, an RESP also has different phases. I loosely define these phases as Accumulation, Preparing to Withdraw, and Enrollment. Each phase has its own considerations.

During the Accumulation phase, you're opening an RESP and making regular contributions. One tip: Maximize your contribution by putting as much as possible of your Universal Child Care Benefit into your RESP. This will help you reach the \$2,500 RESP contribution threshold that will get you the maximum Canada Education Savings Grant each year.

In the remaining phases, you may want to review your asset allocation to balance your

imminent withdrawals against your equity risk. You can speak to our financial specialists about how to manage your RESP investments.

Learn more about these three phases in this article in The Learning Centre: educatorsfinancialgroup.ca/ChuckRESP

In the meantime, enjoy your kids!

Chuck Hamilton, President and CEO, Educators Financial Group

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

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

Enjoy summer without being burned (financially!)

Finally, it's summer! Time for entertaining on the deck (with your new BBQ) ... an amazing concert (and dinner out) ... camp for the kids (that sports camp up north is supposed to be great). No wonder that, without their regular pay cheque, some education members find cash flow to be a challenge during the summer. While some put aside a portion of their pay throughout the year for the summer months, others find it hard not to blow the budget. Speaking of which...

Budget. Whether you have a summer job, or not, the secret to getting through summer without being burned (financially) is a budget. Start with the income or funds you have for your summer. Deduct essential expenses – your rent or mortgage, car payments, groceries, RRSP contribution, etc. The remainder is spending money. Easy, right? Well, for some.

Patricia Passmore, Financial Advisor, Educators Financial Group, says, "Many people need help setting up a budget, and there are lots of places to get it." Visit educatorsfinancialgroup.ca/buildbudget for more about budgeting.

The Financial Kickstart Challenge – consider it your mentor in financial literacy. Check it out: educatorskickstart.ca

More good news: a little homework can unearth lots of inexpensive ways to enjoy summer. Ultimate Frisbee with the kids is more fun (and exercise!) than an expensive movie. A picnic under the stars is more romantic than dinner in a restaurant filled with strangers. And Ontario is packed with low cost festivals and special events throughout the summer.

You can enjoy everything summer has to offer without paying for it the rest of the year. If you need help setting up a budget, contact an Educators Financial Group financial specialist at **1.800.263.9541**.

What's the value of education?

Which student gets more out of their studies: the one who asks questions, engrossed in the subject, or the one who is quiet, watching the clock? No question, right? Well, surprise - it's the same thing with your finances.

Give a child you love the gift of a great future, with an RESP. Find out how: educatorsfinancialgroup.ca/RESP

At Educators Financial Group, we consider our clients' financial literacy to be one of our most important mandates. And when it comes to investing, we believe that the more you know about what's in your portfolio, the better chance you have of realizing your investment and savings goals. Take mutual funds. Our 3-part "Mutual Funds 101" series is designed to provide you with answers to the questions many investors have:

"Your essential questions and answers" defines mutual funds, the different types, and the benefits of investing in them. **Educators Financial Planner Dan Martonfi, CFP, says, "With mutual funds, investors benefit from the experience and training of a professional portfolio manager who chooses and manages the investments based on the objectives of the fund."**

The remaining articles look at how mutual funds make money as well as the risks involved. You can find out more by visiting educatorsfinancialgroup.ca/mutualfunds101.

At Educators Financial Group, we were established to provide the education community with all their financial needs.

Got a financial question? The answer is found at Educators Financial Group.

The big question in mortgages

Students think multiple-choice quizzes are tough. Ha! They should try answering all the questions involved in getting a mortgage. *"Open or closed mortgage?" "What's your amortization period?" "How can I make my mortgage payments while I am off during the summer?"* And of course, everyone's favourite question: *"fixed or variable rate?"*

Thankfully, Educators Financial Group has the answers. Our Accredited Mortgage Professionals are dedicated to making sure education members understand how mortgages work, and get the mortgage they can afford.

A fixed rate mortgage has a set rate and payment. You're protected if interest rates go up, and pay the same every month, so it's easy to budget. That may be why 66% of Canadians choose fixed rate mortgages.

When the difference between a fixed rate mortgage and variable rate mortgage is low (at time of writing a 5-year mortgage is 2.44% for a fixed rate and 1.99% for a variable rate*), many people do opt for the fixed rate.

Find out how to pay less interest and help your cash flow with a secured line of credit for as low as 2.35%. educatorsfinancialgroup.ca/LOC**

Variable rate mortgages are typically lower than fixed rates, but will go up and down based on the market. If you're going to lie awake worrying about a rate increase, perhaps it's not the right mortgage for you.

You can find strategies about how to mitigate the potential risk of a variable rate mortgage here. educatorsfinancialgroup.ca/Rates

When it comes to mortgages, you have questions...we have answers.

Talk to an Accredited Mortgage Professional at Educators Financial Group today.