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DID YOU KNOW?

Money is the #1 cause of stress in Canadians.

"Salary disruptions, salary reductions, market volatility ... many of our members have been stressed by their finances lately," says Darryl Martella RRC® – Certified Financial Planner professional.

The 2020 Financial Stress Survey by FP Canada agrees – it's been a stressful year. 11% of the Survey's respondents said Covid-19 'significantly impacted' their financial stress. While the study suggests that women and respondents under 35 years old were affected the most, 8-in-10 Canadians said at least one aspect of their finances caused them stress. In Ontario,

46% of those polled said their level of financial stress increased in 2020.

However, the connection between personal finances and stress is nothing new. The 2014 and 2018 versions of the Survey also listed personal finances as a number one cause of stress for Canadians.

There is good news. The FP survey shows that Canadians who work with a financial planner have significantly less stress. 40% of respondents without a financial planner said finances were a major source of stress; but only 25% of those with a financial planner said the same. Moreover,

those without a financial planner were twice as likely to say they were significantly impacted during the pandemic than those with a planner (11% vs 5%).

Here's more good news. As an education professional, Educators Financial Group is here for you. Our company was established specifically for the education community, and our financial specialists are here to help with all your financial needs ... including dealing with stress in these unusual times.

Call us at [1.800.263.9541](tel:1.800.263.9541).

CHUCK'S CORNER

The financial lessons of Covid-19.

This year has been a real eye-opener for us all. We've learned what our priorities are – our health, our families, our security. We've learned the importance of working together for the good of the community.



If you have followed our suggested financial strategy, to "Be Prepared", you were better prepared than many for the financial impact of the pandemic. But I know

that each one of you has been impacted in some way. Some members have been laid off; others have kept working. Some of you have had no paycheque; others have seen little change to your cash flow. When it comes to how Covid-19 affected members' finances, 'one size fits all' definitely does not apply.

We often talk about staying focussed on your long-term investment goals, but if your financial plan has been, or is about to be, disrupted this is the right time to review shorter-term goals. If you've drawn down your savings but your income has now been restored, think about revisiting your budget and building up your 'Be Prepared' emergency funds. If you're considering early retirement because of Covid-19, your Educators financial specialist can help you assess the impact on your pension and

retirement lifestyle. It's about more than the numbers, and we have advice tailored to your unique set of circumstances.

We have many articles in our <https://educatorsfinancialgroup.ca/TLC> that provide helpful information. And of course, my financial advisors are only a phone call away.

Please be safe, and remain healthy, this fall.



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

PS: Have questions or suggestions about how we can do more for you? Email me at: chamilton@educatorsfinancialgroup.ca



Moving up your retirement date?

You've done the figures, budgeted, figured out exactly how much money you'll need in retirement and exactly when you'll retire. And then, BOOM – plans change and you're suddenly thinking of taking early retirement. If that's happened to you recently, here's what to do.

First, know that if you haven't reached your normal retirement date (the 'magic number'), your pension will be reduced. *"Education members who are thinking of retiring early need to make sure they understand their sources of retirement income – how much money they'll receive, and when they can access it. That includes their OTPP/OMERS, Canadian Pension Plan, Old Age Security, Registered Retirement Savings Plan, Tax Free Savings Account, and non-registered savings,"* says Shannon Lamont, Educators Senior Financial Advisor.

Second, confirm how much retirement income you'll need. If retiring early means you'll have less than you originally thought, will you have to cut back your plans? How, and where, will you do that?

Third, talk to a Financial Advisor at Educators Financial Group. They have the experience and the tools such as the Educators Income Map to help you understand the impact of retiring early. They can answer your questions about your sources of income and determine a plan to help you reach your retirement goals. If you're thinking about retiring early and how it impacts your income find out more here: <https://www.educatorsfinancialgroup.ca/early-retirement/>.

We can map out how retirement will look for you. Call Educators at 1.800.263.9541 today to develop your Income Map for retirement

How to avoid emotional investing.

Covid-19 has had an emotional impact as well as a physical one – worry about our loved ones, our jobs, our security. When stock markets fell in March, many investors became anxious about their savings, as well. But reacting emotionally – selling when the market was declining – would have been regretted soon after, when the markets rebounded.

"It's the nature of the stock market to be volatile," says Edward Gougeon, Senior Financial Advisor. *"Investors need to remember that the positive years generally outweigh the negative years. For example, despite several downturns between 1973 and 2016, the average annualized return of the S&P 500 Index was about 11.69%."*

"During times of volatility, it's best to avoid emotional investing and stick with your long-term investment plan," says Edward. *"Avoid checking your portfolio too often, which can cause undue stress. And instead of trying to time the market, use strategies such as dollar cost averaging."* Dollar Cost Averaging is investing the same amount of funds in the same investment at regular intervals. When the value of the stock is low, your money buys more; and your average price per share is reduced.

Another proven strategy is a Preauthorized Contribution Plan (PAC), in which funds are transferred at regular intervals to purchase investments, makes investing automatic.

You can find out more about emotional investing, its negative impact and how to avoid it here: <http://educatorsfinancialgroup.ca/emotional-investing>. Or your Educators financial advisor can answer your questions.

Let us help you keep your emotions in check when it comes to investing. Call Educators at 1.800.263.9541 today to review your long-term investment plans.

The key to buying in a seller's market.

Although some said the pandemic would cool Ontario's housing prices, the market has reflected the summer weather – hot, hot, hot. Fuelled by demand that's higher than supply, and record-low mortgage rates, the average selling price in the GTA in June, 2020 was up 11.9% from June 2019.

What's important if you're buying in a seller's market? Researching, a trusted real estate agent, a pre-approved mortgage, and offering a quick closing with few contingencies all help.

One of the most important considerations is your mortgage, and the flexibility it offers. *"Sometimes mortgages with lower rates have more restrictions on how quickly you can pay down the loan, as well as penalties for breaking the contract early,"* says Chris Knoch, AMP, Agent – Regional Director. *"A flexible mortgage has a lot of advantages, particularly when you think your circumstances might change over time."*

A flexible mortgage will let you:

Make your payments fit your cash flow. Instead of paying monthly, you could choose semi-monthly, biweekly, accelerated biweekly, weekly, or accelerated weekly. Increasing your payment frequency can reduce your principal and amortization faster.

Boost your regular payment, which will reduce your principal sooner.

Use prepayment privileges to pay down your mortgage more quickly (which you may be able to do as your move up the paygrid).

Bring your mortgage with you if you move, avoiding a breakage penalty, and keeping your interest rate.

Educators lending specialists can ensure you get the mortgage that's right for you.

Call 1.800.263.9541 today.

The first step in buying a home is understanding how much of a mortgage you can afford. Use our Mortgage Calculator: <https://www.educatorsfinancialgroup.ca/mortgage-calculator/>

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*<https://www.thebalance.com/stock-market-returns-by-year-2388543>

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