



Insights

WINTER 2021

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

DID YOU KNOW?

As an educator, we're yours for life.

Throughout your life and career, you'll need to understand a lot about finances – how to budget that first pay cheque, build an investment portfolio, get a mortgage, save for retirement, and more.

Seem intimidating? It doesn't have to be. It's much easier if you know where to find trusted, experienced advice and products that suit your needs. And you do at Educators Financial Group. We're committed to serving the education community with a full line up of financial services and products, including advice and solutions for borrowing and investing.

Need to borrow? We'll explain the difference between a loan and line of credit, and when to use each. And our Educators Mortgage Brokers will negotiate with different suppliers to find the best mortgage rate and terms for you.

We have investment services for every kind of investor. **Jim Wanamaker, Certified Financial Planner professional, says,** *"At Educators, our clients range from the most independent, to people who want one-on-one discussion and guidance."* Qtrade Investor, a discounted online broker service, is for digitally-savvy investors who want to manage their own investments.

VirtualWealth®, is an automated, online investing service with professionally managed, low-cost portfolios that match your financial goals, timeline and risk tolerance. Finally, Educators Advisory Services offer highly qualified financial specialists for investment advice, individual planning and advice on educator-specific topics such as deferred salary plans, pensions, and tax minimization.

For questions on how Educators line up of financial products and services can help you, please call [1.800.263.9541](tel:1.800.263.9541).

CHUCK'S CORNER

Why 'tailored' is always better.

A new suit is good... one tailored to fit exactly is perfect. Buying a home is exciting... one just down the block from your kids' school is the best.

Yes, life's best solutions are the ones tailored to your unique needs. That's why Educators Financial Group will always be the best source of financial advice for educators like yourself.



Our financial advisors combine in-depth financial training with an understanding

of what you'll need throughout your career... the understanding that comes from over 45 years of working with educators. This combination sets us apart. Other financial institutions will recommend an RRSP – we'll advise how your pension affects your RRSP contribution, and how to identify gaps in your retirement income. (Our new Retirement Income Gap Tool does precisely that; see the Planning column.) Others will sell you a mortgage – we know you need one that provides flexibility in the event of a salary disruption, or saving for a 4 over 5. And others might suggest you take the commuted value of your pension... we'll help you understand why this rarely makes sense.

Research shows that investors who work with financial advisors can have a net worth of up to 3.9x more than those who don't*... and our financial advisors are the best

choice for the education community. Call us today at [1.800.263.9541](tel:1.800.263.9541)

We're here for you.

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

*Source: The Gamma Factor and the value of Financial Advice, Claude Montmarquette, Natalie Viennot-Briot, 2016



Be confident about your retirement income.

You'll have your pension plan, and your RRSP, but you wonder: will my retirement income be enough? After all, you plan to travel, and help out the kids. How will inflation affect your income? Will you be able to retire early?

"When you're saving for retirement, it's hard to be confident you'll have enough," says Bill Rakovitis, Senior Financial Advisor. "Particularly when your pay cheque also goes towards other financial commitments like a mortgage, car loan, and family expenses."

Good news. Educators Financial Group is introducing an online tool exclusively for the education community: our Pension Income Gap Calculator <https://www.educatorsfinancialgroup.ca/CalculatePensionGap/>. Reflecting how your pension works, and your unique situation, it identifies potential gaps in your pension income. It's customized to you, using how long you have to save, your expected monthly expenses in retirement, and your other sources of savings to tell if you're on track, or how you might fall short. (And if it's the latter, it will suggest how much more to save, or how much to cut projected expenses.)

The Pension Income Gap Calculator is just one of the helpful online tools in our Learning Centre, which are designed to help educators improve their financial literacy and reach their financial goals. Check it out today, or call an Educators financial advisor with questions about your retirement savings, at [1.800.263.9541](tel:18002639541).

Will your pension be enough to retire? Find out. Introducing our new Pension Income Gap Calculator. <https://www.educatorsfinancialgroup.ca/CalculatePensionGap/>



Investing in 2021: time to hit reboot.

Experts say you should review your finances thoroughly whenever you have a major lifestyle change (*a marriage, divorce, a job change*), or on a regular basis (*say, every year*).

We say that 2020 counted as a major change. It may have cut into your savings, required you to get a loan or could even have made you think of retiring early.

Now's the time to review your finances to see if they reflect your current circumstances and are continuing to meet your needs. Or do they need a reboot?

See how much interest you're paying on your debt. If you're paying a lot, consider consolidating your debt with a secured, low-rate line of credit, which could cut the interest you pay. Here's more information: <https://www.educatorsfinancialgroup.ca/learning-centre/need-know-debt-pay-off/>

(Re)build your Emergency Fund. *"If 2020 taught us anything, it's just how important an Emergency Fund can be," says Andrée Lamy, Certified Financial Planner professional, "Because funds can be withdrawn tax-free, a TFSA can be the ideal Emergency Fund."*

Talk to your advisor about your portfolio's asset allocation. Has your tolerance for risk changed? Does it need to be rebalanced after the market swings in 2020?

Maximize your contribution to your RRSP and TFSA. (And mark March 1 in your calendar – the 2020 RRSP contribution deadline.) Educators has proven strategies to help you save for your contributions.

Do your finances need a reboot? We're here for you, with helpful information and online tools in The Learning Centre. Or you can talk to a financial advisor at [1.800.263.9541](tel:18002639541).

Need help with saving? First, establish your budget: <https://www.educatorsfinancialgroup.ca/budget-calculator/>



Buying a house? 4 closing costs that could surprise you.

Do you know a home buyer *not* on a tight budget? We don't. Buying a home is a major decision requiring planning, budgeting, and understanding the costs involved. These costs can surprise a new homeowner:

Property taxes. If the seller paid taxes for the year, the buyer must pay the seller for the unused portion. *"Property taxes may also be included in your mortgage payments," says Federica Screnci, Educators Agent-Mortgage Specialist, "in which case you may need to pay a few months' upfront."*

Ontario Land transfer tax. This is determined by the property's value, including any liabilities or benefits that come with the purchase, and cost of improvements. (Note, Toronto properties have a municipal land transfer tax, too.)

Mortgage Interest Adjustment. The interest accrued between your closing day, and that of your first mortgage payment.

Provincial Sales Tax. If your down payment is under 20%, you must get mortgage default insurance. The insurance premium can be added to your mortgage, but the Provincial Sales Tax on the premium is paid upfront. A \$900,000 home with a \$65,000 down payment and \$835,000 mortgage, would have an insurance premium of \$33,400 (4% of the initial mortgage). The 8% Ontario PST of \$2,672 is paid to the lawyer.

Don't be caught off guard. For other costs, check out: <https://www.educatorsfinancialgroup.ca/learning-centre/home-buying-costs/>

An Educators Mortgage Agent can answer your questions about buying a home, and find the right mortgage for you.

Call us today at [1.800.263.9541](tel:18002639541).

Do you have enough for that big purchase? Be sure: <https://www.educatorsfinancialgroup.ca/big-purchase-calculator/>

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