

More in-depth educator-specific financial tips, articles, and resources are available at [educatorsfinancialgroup.ca](http://educatorsfinancialgroup.ca)

## DID YOU KNOW?

### Make the most of a heartfelt inheritance – whether giving or receiving it.

**F**act: with the passing of the largest cohort in Canadian history – the Baby Boomers – Canadians aged 50 to 75 will inherit a whopping \$750 Billion in the next decade. That kind of money raises serious questions about the gifting and receiving of an inheritance, from “*What are my options when leaving money to my loved ones?*” to “*How can I make the most of receiving an inheritance?*”

“Some of our clients, whose retirement income needs are met by their pension and other income sources, make a ‘living will’ to gift funds *before they pass*”, says **Lisa Raponi, Certified Financial Planner Professional**. “They find it satisfying to help loved ones *now* by paying off student debt,

helping them buy a home, contributing to their grandkids’ RESPs, etc. - there are many reasons and benefits to gifting early.” Learn more here: [www.educatorsfinancialgroup.ca/inheritance-101/](http://www.educatorsfinancialgroup.ca/inheritance-101/).

There’s also a new option for giving: you can contribute to an adult child’s **First Home Savings Account (FHSA)**, which combines the tax benefits of an RRSP and TFSA. Contribute a maximum of \$8,000/year, (or \$16,000/year for spouses/common-law partners), or up to \$40,000 in a lifetime (or up to \$80,000 for spouses/common-law partners), towards a first home. Find out more, here: [www.educatorsfinancialgroup.ca/fhsa-101](http://www.educatorsfinancialgroup.ca/fhsa-101).

On the flip side, if you’re on the receiving end of an inheritance, maximize the benefits based on your unique situation. In your 20’s-30’s, pay down debt or max out your RRSP contributions. In your 30’s-40’s, perhaps set up RESPs for your kids. And, if you want to use your inheritance to help buy a home, you can set up a FHSA at Educators.

Have questions about giving or receiving an inheritance or estate planning? Speak to one of our Financial Advisors today!

## CHUCK’S CORNER

### “Taking Stock” with Chuck: our NEWEST tool for your saving toolbox!

**E**ducators saving for a first home already know it’s tough. Fortunately, our team of dedicated Financial Advisors can help.

How? First, we know educators’ financial needs better than other institutions - in 1975 we were created to exclusively help members.

Second, our wide range of services help all members, regardless of where they are on the pay grid. From our gold standard personalized advice to our

digital investing platform partner (Qtrade), we help new home buyers budget and save for a down payment, all while considering potential issues like salary disruptions. Unlike others, we *don’t charge an administration fee*, so you can save more in an RRSP Home Buyers’ Plan.

Our latest saving tool? The new **First Home Saving Account (FHSA)** – combining the benefits of a TFSA *and* an RRSP. Contributions are **tax-deductible**, and qualifying withdrawals and investment growth are **tax-free**. And, use it in combination with an RRSP Home Buyers’ Plan and a TFSA to boost your down payment. Learn more: [www.educatorsfinancialgroup.ca/fhsa-101](http://www.educatorsfinancialgroup.ca/fhsa-101)

Already a homeowner? Consider helping the adult children in your life by ‘gifting’ contributions to their FHSA account.

**The FHSA is coming!** I urge you to open an account before year-end to carry forward any unused contributions and maximize tax savings next year.

Net/net: the new FHSA is a powerful addition to our robust savings toolbox. And remember, we’re always happy to help your family members too – feel free to refer them to us. Talk to our Financial Advisors today!



**Chuck Hamilton, President and CEO,**  
Educators Financial Group  
[chamilton@educatorsfinancialgroup.ca](mailto:chamilton@educatorsfinancialgroup.ca)





## PLANNING

### Summer is no time to let finances slide.

Summer means time off, with fewer deadlines and “must-do’s”. While it’s good to relax and recharge, you shouldn’t stop managing your money. Doing so could mean missed payments, increased interest charges, or worse.

“No one – regardless of just starting out or retired – should let finances slip over summer”, says **Philip Blouin, Educators Senior Financial Advisor**.

“Money tight this summer? Practise smart spending, check your budget, and make inexpensive choices like ‘staycations’ or camping trips. And keep your money working for you while you enjoy some down time by holding investments inside your TFSA (instead of a non-registered account) – your interest and growth is tax-free.”

Have a growing family? Keep the RESP contributions going with a Preauthorized Contribution plan (PAC) to maximize the CESG available to you. Your kids will thank you (one day!).

Ready to retire? You won’t have the medical/dental benefits you had while working, so apply for supplementary coverage *before* you retire – up to 60 days prior. Learn more here: [www.educatorsfinancialgroup.ca/summer-checklist/](http://www.educatorsfinancialgroup.ca/summer-checklist/).

Retired already? Beware of scams in the summer. Retirees are a prime target, and scammers are particularly busy in the warmer months. Watch out for unsolicited phone calls, emails, knocks on the door or other requests for money; and requests for secrecy.

Caring for your money should be a priority all year – and summer is no exception. Need summer planning advice? Give us a call!



## INVESTING

### What to do when markets are down? Rebalance!

When the price of stocks plummet, many investors are tempted to do one of two things: they either respond to feelings of panic and sell, or, tempted by the low prices, go on a buying spree. The wiser course is to avoid reacting emotionally to current market prices, which can lead to unnecessary losses. Instead, pause and think about how the changes you are considering could affect your portfolio’s asset allocation.

“When you started to invest, you chose an asset allocation – a mix of equities (stocks), bonds, and cash that reflected your unique objectives, risk tolerance, and time horizon. If those haven’t changed, your asset allocation probably shouldn’t, either,” says **Jim Wanamaker, Certified Financial Planner Professional**.

That being said, portfolios need to be evaluated regularly to see if *rebalancing* is required to ensure your asset allocation hasn’t changed. Because different types of investments react differently to market conditions (stocks may increase in value while bonds go down), over time the percentage of each investment in your portfolio may shift. You want to ensure things haven’t shifted too much in either direction.

“So, although there may be great opportunities to be had when markets are down, before making any changes, talk to your Financial Advisor first and objectively discuss whether your risk tolerance or objectives have changed”, says **Jim**. Learn more at: [www.educatorsfinancialgroup.ca/balanced-portfolio/](http://www.educatorsfinancialgroup.ca/balanced-portfolio/)

Wondering if your portfolio could benefit from a rebalance? Contact us and let’s review together.



## BORROWING

### Don’t be burned by scammers this summer.

Like the song says, “*Summertime, and the livin’ is easy*”. Well, you might be taking it easy, but trust us: scammers are not. Scams peak during the summer, when people are relaxing and can be less on their guard.

“There are simple steps you can take to protect yourself from scams this summer,” says **Nick Rao, Mortgage - Agent Level 1**. “Be leery of offers – whether online, on the phone, or in person – that appear ‘too good to be true’ (because they probably are). Before signing or clicking ‘agree’, pause and check the company’s references.”

“Take extra care if you’re travelling”, says **Nick**. “Pack just one credit card (and your financial institution’s contact info in case the card is lost), and tell your card issuer that you’ll be away. Watch out for well-known scams like card readers attached to gas pumps that can download your card info (instead, pay for your gas inside the station)”.

Only use your card with merchants who use chip/PIN technology. You can also purchase a Virtual Private Network (VPN), to protect your data on your various devices. And finally, when you return from travelling, check your credit card carefully for charges that you don’t recognize, and review your credit report. Here are more, helpful tips: [www.educatorsfinancialgroup.ca/protect-credit/](http://www.educatorsfinancialgroup.ca/protect-credit/).

Last but not least: protect yourself by learning about the scams that are out there. You can check out the top 10 scams, here: [www.educatorsfinancialgroup.ca/avoid-scams/](http://www.educatorsfinancialgroup.ca/avoid-scams/).

This summer, keep on saving for important goals like retirement. How much will you need? [www.educatorsfinancialgroup.ca/calculatepensiongap/](http://www.educatorsfinancialgroup.ca/calculatepensiongap/)

One way to easily ensure your portfolio is balanced is with Educators Managed Portfolios. Find out more: [www.educatorsfinancialgroup.ca/educators-monitored-portfolios/](http://www.educatorsfinancialgroup.ca/educators-monitored-portfolios/)

Part of being financially literate is understanding your credit score. Here’s how: [www.educatorsfinancialgroup.ca/better-credit/](http://www.educatorsfinancialgroup.ca/better-credit/)

## Educators Financial Group

2225 Sheppard Avenue East, Suite 1105, Toronto, ON M2J 5C2  
Tel. 416.752.6843 or 1.800.263.9541 • [educatorsfinancialgroup.ca](http://educatorsfinancialgroup.ca)

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