

No.1/September 2011

**MEDIA
PLANET**

LIFE PLANNING

3
TIPS

FACING REALITY

Gail Vaz-Oxlade, host of “**Princess**” brings common sense to the budget-challenged

A legacy
Foresters continues its mission of philanthropy



Information age
How to sort through conflicting financial advice



BACKGROUND ILLUSTRATION: ISTOCK.COM © VADYM TYNENKO, PHOTO: TANJA-TIZIANA BURDI

**AUTO INSURANCE
IS NECESSARY.
PAYING TOO MUCH ISN'T.**



It's a fact of life — you need auto insurance. But now you can save hundreds (even thousands) by shopping around for it. We've harnessed the search power of the internet to offer you choice: choice of coverage and choice of what you'll pay for it. It's fast, FREE and easy to use, with absolutely no obligation. After all, who says you have to spend a lot to get a lot?

I InsuranceHotline.com

“We search. You save.”

CHALLENGES

TIP

1

BE HONEST ABOUT YOUR FINANCIAL SITUATION



For many Canadians, finding the balance between wants, needs and solid financial standing can be tough. A real need for increased financial literacy is felt country-wide.

Does your money motivate you?

Take a moment and ask yourself these two questions: How do you define happiness? And—do you have a financial plan?

You may be wondering how these questions relate—the answer may surprise you.

Financial planning asks you to think about what would make you happy: Do you want to visit Peru and explore Macchu Picchu? Help your children with post-secondary education? Buy a cottage? Retire at age 65 and live a comfortable life? Make a significant contribution to a charity close to your heart?

Financial planning also encourages you to explore your relationship to money: Do you view money as a shackle, or a key to freedom? Does money daunt or motivate you?

Establishing a balance

1 Or maybe, like many Canadians, you'd be happy if you could just worry less about the things you can control—like your finances.

Financial Planning Standards Council (FPSC) recently explored the relationship of planning and happiness in its Value of Financial Planning study. The first year results of our five-year study show that Canadians with comprehensive financial plans (when compared to Canadians who have done no planning) feel more:

- Optimistic about their personal

wellbeing;

- Prepared to deal with financial emergencies;
- Confident about reaching life goals like the ones mentioned above;
- Peace of mind.

Yet, the study also showed that fewer than two out of 10 Canadians actually have a comprehensive financial plan—"comprehensive" meaning a financial plan that takes into account at least three of the seven financial planning components: household budgeting; tax, retirement and estate planning; investing, debt or risk management. Far too many Canadians are missing out on the benefits of having a financial plan.

Consider your options

2 Before you start looking for a financial planner to help with your big picture, consider this:

In Ontario (and in most provinces and territories), anyone can claim to be a financial planner without meeting requirements for qualifications or professional oversight. Financial planning credentials are voluntary. Don't assume your planner is qualified—even if a trusted friend referred him/her. Ask your prospective planner about her training, certification and experience.

There are more than 18,000 CERTIFIED FINANCIAL PLANNER professionals in Canada, all of whom have met rigorous standards in edu-



Tamara Smith
VP of Marketing,
Financial Planning Standards Council

“Financial planning also encourages you to explore your relationship to money: Do you view money as a shackle, or a key to freedom? Does money daunt or motivate you?”

cation, examination, work experience and ethics. FPSC provides an online searchable database of CFP professionals to help you find a planner in your community. Also available at www.fpsc.ca are the 10 questions to ask a planner and information about the financial planning process.

It's never too early (or too late) to start planning. The earlier you begin the better off you will be, although financial planning is relevant for people of all life stages, demographics and income levels.

Financial planning with a qualified professional is a proactive step towards managing your finances so that you find your happiness—however you define it.

Canada's third annual Financial Planning Week is October 17-23!

Financial Planning Standards Council (FPSC) is a not-for-profit organization which develops, promotes and enforces professional standards in financial planning through CERTIFIED FINANCIAL PLANNER® certification, and raises Canadians' awareness of the importance of financial planning. FPSC's vision is to see Canadians improve their lives by engaging in financial planning. Currently, there are more than 18,000 CFP professionals in Canada and more than 133,000 CFP certificants in 23 countries worldwide.

Read more on the web:
www.fpsc.ca
www.financialplanningweek.ca

Planning for life's milestones

Life is full of surprises, but it's also full of planned milestones.

From paying for college, having your first child, to retirement, there are a daunting list of expenses to plan for. Need a little help with planning? Working with a financial advisor to make sure the money is there when you need it can help prepare you for your future.

Kevin Strain, senior vice president of Individual Insurance and Investments for Sun Life Financial Canada says it takes a long term plan to ensure you meet all those milestones head-on.

"Typically people don't take action soon enough," says Strain. "Have a financial plan that's a written down plan."

Working with a financial advisor can also help you establish a well-oiled budget.

Before approaching an advisor, however, Strain points out that there are many tools available to peruse first. Sun Life recently launched a website (www.BrighterLife.ca) to help with financial planning.

It includes a blog that gives advice on buying your vacation home, saving for college and paying down your debts.

Many financial institutions offer similar websites that help calculate budgets and organize savings.

Having an idea of what you want will help you work out a good plan with your advisor.

"The more the advisor can understand you, the better the process works," says Strain.

So you've graduated—now what?

As you hit the different stages in your life, your needs will change.

"The one thing that's similar is you need a life plan," says Strain. "(After college) you want to get started saving, having some basic life insurance."

Strain says having basic life insurance is one of those things people often overlook.

He also points out that having a retirement savings plan can keep you on track for the future.

Evolving needs

Patrice Delisle, senior manager, Strategy and Financial Planning for the National Bank of Canada says retirement is one of the big ones.

"The confidence to do what you

have to do for retirement is dependent on what part of your life you're in," says Delisle. "You don't plan for retirement the same way when you're in your 20s."

Retirement isn't just financial matters. He points out that it includes your location, access to healthcare and a plethora of other social factors.

"These are factors people tend to forget," says Delisle.

But don't lose sight of your short-term needs says Strain.

Strain says nothing beats having a plan—"It will really take away the money aspect when it comes to emotional responses around your well being."

ANDREW SEALE
editorial@mediaplanet.com

WE RECOMMEND

PAGE 6

Learning from past mistakes
Get a grip on creating a budget.

“A lot of people don't have a budget, they don't really know where their money goes...”

Planning for milestones **p. 2**
Be prepared for whatever life throws at you.

Web savvy **p. 3**
How to find the best deals online—and save a bundle.

MEDIA PLANET

LIFE PLANNING
1ST EDITION, SEPTEMBER 2011

Responsible for this issue:
Publisher: Brendan Curran. brendan.curran@mediaplanet.com
david.shoemaker@mediaplanet.com
Designer: Penelope Graham
penelope.graham@mediaplanet.com
Contributors: Jeannie Armstrong, Mike Evans, Blake C. Goldring, Evelyn Jacks, Marjo Johnne, Andrew Seale, Tamara Smith, Bob Spence. HEQCO

Managing Director: Gustav Aspegren
gustav.aspegren@mediaplanet.com
Business Developer: Darshan Thomas
darshan.thomas@mediaplanet.com

Distributed within:
Toronto Star, September 2011
This section was created by Mediaplanet and did not involve the Toronto Star or its Editorial Departments.

FOLLOW US ON FACEBOOK AND TWITTER!
www.facebook.com/MediaplanetCA
www.twitter.com/MediaplanetCA

Mediaplanet's business is to create new customers for our advertisers by providing readers with high-quality content that motivates them to act.

DON'T MISS!

Spreading the word on financial literacy

Students who could most benefit from postsecondary financial assistance are not taking advantage of it, and it may be because they lack financial literacy—knowledge of the costs, benefits and available aid associated with higher education.

The Higher Education Quality Council of Ontario (HEQCO) is hosting a public conference on financial literacy Nov. 3-4 at the Toronto Delta Chelsea Hotel. Fear of Finance: Financial Literacy and Planning for Postsecondary Education will feature leading researchers discussing their work in educational financial literacy, innovators sharing their approaches to improving financial literacy and an in-depth discussion session on next steps toward improving financial literacy, particularly for low-income youth.

Visit www.heqco.ca for details.

YOUR STRATEGY

BIG SAVINGS TO BE FOUND WITH A LITTLE WEB SAVVY

Innovative online services such as group buying or “flash sales” are becoming increasingly popular as many Canadians prefer using the Web to find bargains and beat the crowds.

“The Web is much more interconnected today than a decade or so ago,” says Derek Szeto, who founded Clear Sky Media, the parent company of RedFlagDeals.com, in 2000. With Facebook, Twitter and other online networking sites, individuals can quickly tell their friends about bargains they find online, generating more interest in such deals, Szeto points out.

Savings sent directly

There is a plethora of deal-of-the-day services now, from Groupon (www.groupon.com) to Vancouver-based Social Shopper (www.socialshopper.com) to WagJag (www.wagjag.com) to Red Flag’s deal of the day. In case you’re not yet familiar with this concept, group buying websites offer a heavily discounted service or product in your city for a limited time only.

Once you sign up, emails arrive in your inbox every day about bargain deals for everything ranging from horseback riding lessons to laser hair removal and deep acupressure massage, to golf lessons and restaurant deals, with discounts up to 80 percent.

Discounts at your fingertips

Earlier this year, Red Flag Deals started offering online links to not only its own deals, but those offered by some of its competitors, says Szeto. Red Flag, he said, is designed to become “the go-



Derek Szeto
General Manager,
RedFlagDeals.com

“The Web is much more interconnected today than a decade or so ago.”

to destination for Canadian deals.” It is offering information to online shoppers as a deal aggregator, says Szeto, allowing browsers to take advantage of more of the unique deals available on the Web.

Instant affordability

“Flash sales” have also become popular—especially amongst fashionistas looking to buy designer-label fashions at discounted rates of up to 70 percent off. You sign up for free to become a member and receive email alerts tipping you to a limited-time “flash sale.” Prominent designers with excess product (sometimes including the previous year’s) sell these through a flash sale website rather than through discount outlets that they do not want their designer products in.

B.C.-based Anna Wallner, co-host of



two Anna & Kristina TV programs providing advice to shoppers, said flash sales can provide real bargains. “Websites like www.hautelook.com are a great source for flash sales.”

Sandra Kahale, a Toronto-based communications professional, also likes the special offers. “Once I discovered flash sales websites, I signed up at three of them and have had a lot of

fun picking up designer fashions at a fraction of what I would have paid at an upper-scale store. I owe the friend who told me about them a really, really good night out!”

The newest Canadian flash sales site, www.thepeacockparade.com, was just launched in July. Among the many other flash sales sites are www.prive.com and www.beyondtherack.

com. If you end up liking an American flash sales site, make sure it delivers to Canada—and at a cost that will not eat up all of your savings.

BOB SPENCE
editorial@mediaplanet.com

Can you afford to age?

- Question:** Canadians are living longer, more active lives. How can individuals ensure they will not outlive their retirement funds?
- Answer:** The first step is to identify the retirement lifestyle you hope to achieve.

Retirement as we know it is changing. According to Lynn Biscott, CFP, president of the Retirement Planning Association of Canada, Canada’s longest established national organization for financial and lifestyle retirement planning. Biscott also owns Fernwood Consulting Group in Toronto.

“Retirement is no longer a situation where people stop working completely. A lot of people are now continuing to work, part-time or on a contract basis,” says Biscott.

“You need to have a plan. The sooner you start, the less you’re going to have to compromise later,” says Perry Quinton, vice-president of marketing with the Investor Education Fund (IEF), the non-profit organization established by the Ontario Securities Commission to provide Canadians with unbiased



“You need to have a plan. The sooner you start, the less you’re going to have to compromise later.”

Perry Quinton
Vice President, Marketing, IEF

financial information.

What’s your desired destination?

“The first step is to determine your retirement goals. Everyone has different ideas about where they want to be—some people want to travel the world,

FACTS

- Less than** one-third of all Canadian employees are in a pension plan and the rate of participation is decreasing. Savings rates across the country have dipped, as have RRSP contributions.
- If you currently** earn over \$30,000 annually at your job, the experts at the Investor Education Fund warn that you will likely need additional income sources to maintain your same lifestyle.

- Think you can rely** on the government to fund your retirement? The maximum amount of income an individual can expect from government plans, including Canada or Quebec Pension Plan, Old Age Security and the Guaranteed Income Supplement is \$15,000 a year. The amount may increase if you qualify for low-income programs.
- Source: Investor Education Fund

others are content to be homebodies. Each retirement lifestyle has a different cost,” says Quinton.

Determine your degree of risk

The IEF website, getsmartabout-money.ca, offers research-based information, instructional videos and tools to get you started, including a quiz called “What’s my retirement lifestyle?” “The quiz helps to identify an individual’s retirement goals and suggests the amount of savings you’ll need to have,” says Quinton.

It’s also important to know what you own and what you owe, she adds.

Your age and the number of years you plan to remain in the workforce will determine the degree of risk you should take with your investments.

An individual with 20 years remaining in the workforce is in a better position to consider a riskier investment with a higher rate of return, than an individual who will be retiring in just a few years.

“Your comfort level with risk is going to dictate your investment choices and dictate whether your goals are going to be realistic,” says Quinton.

If retirement is looming and you

haven’t amassed a personal fortune, don’t despair, says Biscott.

“Look at what your after tax income will be in retirement. Once you’re over age 65, you get tax breaks—the age credit and the pension income credit,” says Biscott.

“Many Canadians will have to consider working to a later age. It could be staying with their existing employer, working part-time or doing consulting work.”

Your home can also generate revenue, she adds. “Think about renting out a room to a university student. It won’t be a huge amount of money, but if there is a shortfall, every little bit will help close that gap,” says Biscott.

Selling the home and investing the capital in a product like an annuity is another option, says Biscott.

Although it’s tempting to leave all the decisions in the hands of a financial planner, Quinton says “you should know where you’re going before you meet with your advisor. You want to come prepared with answers so they can do their best for you.”

JEANNIE ARMSTRONG
editorial@mediaplanet.com

INSURANCE SPOTLIGHT

Specialty insurance has you covered

Whether they’re under-writing farm operations or providing a wide range of coverage products for truckers, specialty insurance companies offer the advantage of industry-specific knowledge and experience.

In Canada, businesses and consumers have access to a diverse range of specialty insurance. For instance, Chubb Insurance Company of Can-

ada’s specialty products include errors and omissions liability for lawyers and property loss protection for energy companies. In British Columbia, Axis Insurance Managers, which sells home and auto insurance, also offers medical and hospital insurance for international students in Canada.

In addition to companies that offer specialty insurance as part of a broader menu of products, there are insurance providers that focus on a specific market. Teachers Life Insurance

Company, for instance, provides products designed especially for people in education. Based in Toronto, Teachers Life provides group benefits to school boards as well as life insurance policies sold directly to individual members. “Our members get the benefit of our comprehensive knowledge of insurance products and services and our in-depth understanding of the needs of educators,” says Doug Baker, president and CEO of Teachers Life. “And the dynamics in a school setting

are certainly unique.”

Intuitive insurance

Understanding a particular industry and work environment is especially important in handling disability issues, Baker says. For example, in the world of education, it’s critical for insurance providers to understand the potential for interpersonal conflict between the various parties—teachers, administrators, custodial staff and students—and how

this can create debilitating stress.

Understanding the work environment and structure in the school system makes it easier for an insurance provider to help stressed workers recover and return to work, Baker says. “We understand the situation and work with unions and employers to support the individual.”

MARJO JOHNE
editorial@mediaplanet.com

INSPIRATION

TIP

2

EXPLORE YOUR
OPTIONS FOR
FINANCIAL
ASSISTANCE



Question: How can one obtain affordable life insurance products while simultaneously giving back to their community?
Answer: Joining a fraternal benefits society that offers insurance products targeted at middle income families—like Foresters.

Foresters continues its legacy of community development

HOW WE MADE IT

These days, there is an awful lot of pressure to make purchases that contribute to a sustainable future.

And part of building a sustainable future is ensuring that those who are underprivileged get a helping hand. But too often, the needs of the consumer and their families do not coincide with the needs of the community. Fortunately, when it comes to life insurance, this need not be the case. Foresters offers reasonably priced life insurance products that keep families secure while helping build the communities of its customers.

Daring dreams

Since 1990, Toronto-based Foresters, an international provider of life insurance with a focus on middle-income families, has nurtured a partnership with Children’s Miracle Network, an international coalition of 170 children’s hospitals dedicated to raising funds for the local hospitals. In 1998, this relationship led to Foresters sponsorship of the Children’s Miracle Network Radiothon, which raises tens of millions of dollars for children’s hospitals every year. Since the beginning of Foresters relationship with the Children’s Miracle Network, they have helped raise more

than \$430 million. While unquestionably commendable in itself, these efforts form only one component of Foresters commitment to local communities.

Founded as the Independent Order of Foresters in 1874, Foresters owes its name to groups of brave medieval commoners who met secretly in the forest to escape the watchful eyes of the oppressive nobility. Today, the spirit of these arboreal brethren lives on in an organizational arrangement exemplified in Foresters operational structure – the fraternal benefits society.

Commitment to communities

Unlike many insurance companies, a fraternal benefits society does not have shareholders. Rather, its customers, or members, who can have a say in how it’s governed. This brings us to another one of Foresters characteristics – profits earned by the organization are directed back to its members and their communities.

When it is not raising money with the Children’s Miracle Network, Foresters pours resources into its other major multi-year project – building playgrounds in underprivileged neighbourhoods. Between 2006 and 2013, Foresters will have provided funding and volunteers for the construction of 100 playgrounds, including one just recently built in Toronto’s

PROFILE

Foresters

- **Founded:** 1874, Empowering Canadians since 1875.
- **Mission:** “To enrich the lives of its members, their families and the communities in which they live” — George Mohacsi, CEO and President
- **Community work snapshot:** Raising money for children’s hospitals across North America and building playgrounds in underprivileged neighborhoods.

Rexdale this past August.

These are initiatives that help everyone, but Foresters also offers a variety of supportive benefits to each and every one of its members. These include a financial help line, a legal link service that connects members with legal advice and a disaster relief fund for members affected by events such as Hurricane Irene, which, according to President and CEO George Mohacsi, shook the lives of many of Foresters members. Foresters also offers 350 annual scholarships of \$2000 for up to four years, for which members may apply either on their own behalf or on behalf of their children or grandchildren. Five scholarships of \$5000 for the first year and \$2000 for subsequent years and are awarded annually to individuals who have demonstrated a particularly noteworthy level of involvement in their communities..

Making the right choice

Notably, Foresters charitable activities are not always conceived by management. As an organization that encourages passionate volunteerism, Foresters members can actually pitch philanthropic projects to the society and obtain funds to carry them out. In this

respect, Foresters is a true grassroots organization.

On August 12, 2011, Foresters announced that they would be the recipient of the Insurance and Financial Communicators Association’s Award of Excellence for their 2010 Mobile Media Holiday Campaign – a campaign that proudly perpetuated Foresters legacy of charity.

Buying life insurance has an obvious downside. While it is necessary to keep our families safe in this complex and unpredictable world, often the person buying the product will never see a single benefit – it only pays off if you die. Not so with fraternal benefits societies like Foresters. Members of these organizations can rest assured that their families are protected and that their communities will continue to thrive.

Foresters™ is a trademark of The Independent Order of foresters, a fraternal benefit society. 789 Don Mills Road, Toronto, Ontario, Canada M3C 1T9.

MIKE EVANS
editorial@mediaplanet.com

THERE ARE THOUSANDS OF FINANCIAL ADVISORS

But Only An Elite Group Hold the MFA™ (Master Financial Advisor) Designation

Find Out More About Working With a Strategic Specialist to Plan and Build Your Family’s Wealth

Knowledge Bureau Report:
Subscribe Now for Current Tax and Economic News & Financial Commentary
Email: reception@knowledgebureau.com

www.knowledgebureau.com

Call Toll Free: 1-866-953-4769

INSPIRATION



A HEARTFELT FORCE
Left: Forester takes part in the Children's Miracle Network telethon. This page: CEO George Mohaschi.
PHOTOS: COURTESY OF FORESTERS



TIPS

The importance of real wealth management

In the most fragile economic recovery since the Great Depression, many individual investors have lost trust in their financial advisors.

Yet, while it's easy to perform most feats in calm waters, many would agree that rough seas are better navigated with the help of great leaders, who manage experienced teams, equipped with the most up-to-date knowledge and skills.

Especially because many investors do exactly the wrong things at the most volatile times, the single most important role of a professional is to stop reactions that could significantly and permanently erode family wealth. But, where do you find such a great advisor, who understands your objectives best, and can follow a strategic plan to manage your entire professional advisory team—the financial advisor, investment or insurance specialist, to the tax accountant and lawyer?

Seeking out sound advice

RWM™ (Real Wealth Management) is an inter-advisory approach to the accumulation, growth, preservation and transition of wealth, with purchasing power—that is, after tax, inflation and fees. It was developed by The Knowledge Bureau, a national educational institute. Aside from the high standards it demands of its students who achieve the MFA™ (Master Financial Advisor)



Evelyn Jacks
President, The Knowledge Bureau

“People want sound advice, peace of mind and a sense of control...”

designation in tax, investment, retirement, succession and estate planning services, it also features financial education for clients, so they are better equipped for joint decision-making.

Trustworthy support

People want sound advice, peace of mind and a sense of control in uncertain times. Action taken at the wrong time, for the wrong reasons, can cause irreparable harm, for generations to come. Highly trained professionals prepared to work with informed investors can facilitate confident decisions about the use of their money. That's worth the investment in financial education.

Foresters —
Where life insurance
for your family
benefits your community



Foresters™ does more than provide quality life insurance and unique member benefits. We also invest in your community to champion the well-being of families just like yours.

Visit foresters.com/forFamiliesinGTA to learn how Foresters is making a difference in the Greater Toronto Area.

Proud supporters of:



Foresters™ is the trade name and a trademark of The Independent Order of Foresters, 789 Don Mills Road, Toronto, Canada M3C 1T9; its subsidiaries are licensed to use this mark.

Foresters member benefits are non-contractual, subject to eligibility requirements and limitation and may be changed or cancelled without notice. For details, visit www.foresters.com. 407636 CAN (08/11)



YOUR SUCCESS





DON'T MISS!



Blake C. Goldring
Chairman and CEO,
AGF Management Ltd.

The value of advice

Questions resulting from the financial crisis of 2008, the ongoing debates on pension reform and the need to rebuild a savings culture in Canada are swirling in the minds of many investors these days. Many of them are asking: what will my financial future look like and how do I get there?

Survey after survey point to the holistic approach and essential input qualified advisors bring to the table to guide Canadians through various financial milestones, such as creating personalized financial plans, setting realistic targets and helping investors stay on track.

A culture of savings

In doing so, investors are instilled with a culture of savings, and learn how to maintain a healthy financial lifestyle. They're learning how to adopt good investment habits, whether it's putting away funds to pay for a home, providing for their children's education needs, or their retirement. A survey conducted by IP-SOS-Reid backs this up. It states that households with an advisor have twice the rate of participation in RRSPs, TF-SAs and RRI-Fs than those without. Some 69 percent of advised households have RRSPs compared to only 29 percent of non-advised, and 27 percent of advised households have TFSAs compared to only 14 percent of non-advised. In addition, 55 percent of advised households aged 65 years or older have RRI-Fs compared to only 18 percent of non-advised households.

Knowledge is power

Having a basic grounding in personal finance can also prompt you to ask questions of your advisor—such as the pros and cons of different products, market cycles or general investment growth opportunities. With knowledge comes financial literacy, and the ability to make informed and responsible financial decisions. Whether Gen Y or baby boomer, there is a growing emphasis for Canadians to take more of an active role in their financial futures. A professional advisor can educate and guide you throughout that journey, helping you achieve your personal financial goals and increase general economic prosperity.

BLAKE C. GOLDRING
Chairman and CEO,
AGF Management Ltd.
editorial@mediaplanet.com

Knowledge is the first step to economic success

Question: How can one navigate through the excessive, and sometimes alarming, financial information provided by the media?
Answer: Keeping a clear head and looking to trustworthy sources can prevent economic hysteria.

A rapidly globalizing society means tighter linkage between the world's economies.

However, increased access to information can make periods of economic uncertainty even more overwhelming. In the media, we're as guilty as anyone of inundating the public with a constant stream of contrasting opinions, ideas and news about the current economic climate. And often, the news can be a bit much. Sam Albanese, (a professor) at Seneca College's Centre for Financial Services and a long-term player in the financial industry, says the beginning to getting over your fear of finances, is recognizing that Canada is not immune to world events. "Now, in the 20th century there is no such thing as an island—Canada is certainly not an island," says Albanese. "The reality is, it is going to hit our shore." He points out that Canada, which makes up only about three percent of the world economy, has "been sort



"We need to take a look at it historically—we've been down this road before."

Sam Albanese
Industry Director
Seneca College Centre for Financial Services

of lulled into a sense of security." Recognizing that we're all in this together can help pull you out the isolation you feel when it comes to finances. "We need to take a look at it historically—we've been down this road before with the oil crisis in the 70's, the 80s, the tech boom—these are simply part of life cycle," says Albanese.

How will you weather another recession?

FACTS
Pay yourself first. The point of work is to enjoy your lifestyle. Treat yourself from time to time.
Pay down your debts. "The debt to income ratio is over 125 percent right now," says Pollock. Cutting your debt can help boost your spirits.
Get independent professional assistance. It'll make all the difference when it comes to building your budget with a critical eye.

"If you look back on your life, most of the things you feared didn't come to pass," says Albanese. "Don't get immobilized—be cautious, not fearful." Much of the financial decisions you make to weather economic hard times are built around what point in your life you're at. Greg Pollock, president and CEO of Advocis, The Financial Advisors Association of Canada, says budgeting is key. "A lot of people don't have a

Review your budget. "You should be reviewing your budget on a regular basis, at the very least once a year," says Pollock.
There's nothing wrong with adjusting your budget if you need to.
Don't over-diversify. "Remain diversified but don't over diversify," says Albanese. "If you limit your diversification to areas you're more comfortable with, you'll do a lot better."

budget, they really don't know where their money goes," says Pollock. He says sometimes it takes someone else taking a look at your expenses and asking: "How many Starbucks are you really buying each week? Can you cut that down?" It may sound silly but the dollars and cents often play just as much a role as the big expenses.

Starting early

He says young people should "plan for their education."

"You can be setting aside just a small amount of funds a month," says Pollock. That's not to say you should ignore your debts. "I mean if you've got debt, get that debt off the books," says Pollock. "You need to ask yourself 'what will you need to set aside today in order to the enjoy the lifestyle you want 35 years from now?'" But beating your economic woes and tackling them with a confident mind is the best way to push through economic uncertainty. "When you're sick, you take a step back, take some medicine and wait it out," says Albanese. "At some point in the world economy every country has a sick day."

ANDREW SEALE
editorial@mediaplanet.com

Canada gets schooled on finances

With the school year in full swing, Ontario students—from fourth-graders to those graduating high school—may be surprised to see a few classes popping up that look at personal finances.

Although, the changes won't be made country wide initially, if all goes as planned, financial literacy will find its way into the classrooms within the next few years. The push for financial courses in the curriculum is one of the many recommendations made in a report released by the federal government's Task Force on Financial Literacy in February. "We want Canadians to have the

knowledge skills and confidence to make financial decisions," says Greg Pollock, president and CEO of Advocis, The Financial Advisors Association of Canada and a member of the task force. He says confidence is vital, especially in times of economic turmoil, like those witnessed since the latest recession. **Measuring our knowledge** Using a 2009 Statistics Canada survey on financial literacy competency, the Task Force produced a financial literacy index, with 100 being the highest score and zero being the lowest. Canadians did okay when it came to making ends meet, scoring 82—but only scoring a mere 39 when it came

to staying informed about financial issues. There has long been rhetoric about including personal finance in the current curriculum but it's a slow process, he adds. "This is probably a 20 to 30 year program once you get down to it," says Pollock referring to the amount of work that has and will be put into developing Canada's financial literacy. **Benefiting us all** A financially literate population can drastically increase the economic success of a nation. Granted, Canadians still face certain hurdles when it comes to knowing their economics.

A 2003 International Adult Literacy and Skills Survey presented by ABC Life Literacy Canada, found that 42 percent of working-age Canadians struggle with reading and with nearly 50 percent of the population admitting to struggling with simple tasks involving numbers. "If you're dealing with those terms I think we have a bit of work to do," says Pollock. In all, the task force received 300 submissions while traveling in small teams to communities in every province and territory, meeting with 175 individuals and organizations and hearing first-hand about their views, values and experiences. **ANDREW SEALE** editorial@mediaplanet.com

INSIGHT

TIP

3

EMBRACE
SIMPLE
LIFESTYLE
CHANGES TO
HELP YOU SAVE

1-2. Gail introduces pampered "princesses" to the cold reality of managing their finances—enduring a few tantrums along the way.

PHOTOS: TANJA-TIZIANA BURDI

LOOKING TO SAVE MONEY? LEARN TO STOP SPENDING!

It's an age-old story: People who save know how important it is to put away a little "sumthin' sumthin'" for the future.

People who don't save can come up with dozens of reasons why they can't find the money. In the end, the savers plod along to a future brighter than being old and poor while those who don't save constantly whine about their lot.

Introducing self control

For those who are predisposed to saving—watching the money pile up is far more satisfying than buying another DVD or a 32nd pair of shoes—it's easy to set aside money in their budgets for the future. But what if you're a spender? What if the idea of saving money is so foreign that you sweep it away with another swipe of the debit card? You barely make enough to live. You're in debt. You work hard and deserve nice things. There will be plenty of time to save in the future. Saving is what rich people do.

Consider this your swift kick in the butt: If you don't start to save you're headed for disaster. While you may want to spend every cent you make on stuff that makes you feel

good, only irresponsible dopes actually act this way.

Saving is a habit and anyone can establish it. If you're determined to be strong and take control of your financial future, you can take advantage of the habitual nature of saving and make it work for you. Commit to saving \$20 a week and have the money automatically transferred to your RRSP, a TFSA, an RESP or a high interest savings account. You can afford \$20 a week, can't you? Sure you can.

Small changes that stick

Don't give up coffee completely. Just decide that you're going to trim back your coffee habit by 25 percent, 30 percent or 50 percent a week and send all the money you're not spending to your savings. If you're serious about becoming a saver, it's time to focus on making small, manageable changes that will stick.

Don't say you're not going to buy clothes; find a way to shop for way less, like hitting the second-hand store and becoming a bargain-hunter. Don't give up reading, just give up buying books: head to the library for magazines, books, audiobooks, movies. Don't give up eating out. Have a



salad and dessert with your friends and skip the glass of wine.

Becoming financially responsible should not doom you to a life of boredom and denial. Small luxuries will still have their place. You're just going to trim back and really appreciate them when they come along.

Money is an exhaustible resource. It runs out. If you want to have some

for later, you've got to Not Spend some now. This is not about hoarding all your money and having no fun. It's about taking small steps along the right path and setting a pace you can maintain. Most of all, it's about getting started. It doesn't matter how small your first step is. As long as you begin developing the saving habit, you're heading in the

right direction and momentum will carry you along.

Season 2 of "Princess" premieres October 17, 2011 at 8PM ET on Slice.

GAIL VAZ-OXLADE,

Host

"Princess"

editorial@mediaplanet.com

Community. Connection. Quality.



Think Local applies to insurance, too. This philosophy is at the heart of every insurance plan, member benefit and community program we develop.

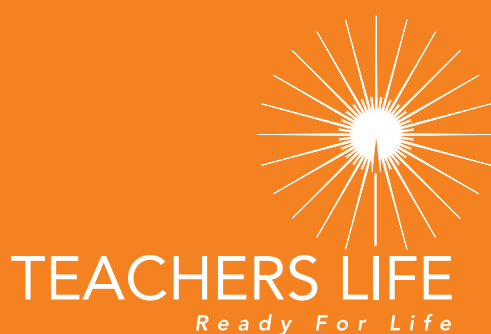
Our community is the education community and for over 70 years we have celebrated that. As a not-for-profit fraternal insurer our connection is solely with our members – educators.

We don't ship profits off to Bay Street; we reinvest them to give members quality insurance coverage at reasonable rates, supported by caring service and a *give back* attitude.

At Teachers Life value and values go hand in hand. If you're part of the education community Think Local, think Teachers Life.

District Plans: **Life • Disability**

Individual Plans: **Life • Critical Illness**



Toll-free 1 866 620-LIFE (5433)
teacherslife.com
facebook.com/teacherslife

INSIGHT

SAVING SMARTS



INSIGHT

Time to pinch those pennies

✱ Princess Catyanna, the subject of the “Princess” premiere episode, has a huge personality and likes to spend big. After taking advantage of her parents for years, Gail teaches this Greek Princess about being responsible and how to plan for the future without incurring more debt.

PHOTO: TANJA-TIZIANA BURDI