

EDUCATORS FINANCIAL GROUP



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Educators Financial Group came to being in 1975 when the Ontario Secondary School Teachers' Federation (OSSTF/FEESO) decided to establish an alternative to the banks, which at that time deemed teachers as "occasional workers" (because of the summer months), and therefore "high risk" mortgage applicants. Ever since, Educators Financial Group has been that much-needed alternative, where Ontario's education members can turn to for financial advice that take into consideration all of the unique aspects of their world (things such as their pension plan, union dues, deferred salary leaves, pay grids, etc.)

MUCH MAY HAVE changed since the 1970s, but the one constant has been Educators Financial Group's commitment to providing this community (and their family members) with educator-specific financial planning and advice, as well as a competitive selection of investment and lending products.

And some community that is: Educators Financial Group has grown to serve over 17,000 clients across all Ontario Teachers' Federation affiliates, administers more than \$750 million in assets and has secured over \$85 million in credit on their behalf.







Chuck Hamilton, President and CEO

And what turned this simple idea of providing education members with an alternative to the banks, into the educator-specific destination for financial advice, products, and resources that it is today? It is their ability to build strong and long-standing relationships with education members of all ages, and of all levels and affiliates. This kind of longevity and experience has enabled Educators Financial Group to become the education community's financial specialist. A source not only for educator-specific financial planning and advice – but a professional financial institution that also offers lower investment fees, lower lending rates and a top-notch portfolio of investment products managed by industry-leading experts.

The Canadian Business Journal spoke with Chuck Hamilton, President and CEO of Educators Financial Group, about what

differentiates Educators Financial Group in the Canadian financial landscape.

“With our breadth of knowledge of the education community which offers us insight into their financial challenges and goals, we are in the best position to help our clients integrate the financial advice that we provide with the other aspects of their financial life.”

– Chuck Hamilton, President and CEO

“Our mandate is to serve the broader education community in a way that adds value to our members relative to the other financial choices out there,” says Hamilton. “By fully understanding how an education member’s pay structure works, what they can expect to get from their pension in retirement, and how sudden changes within the education community (such as wage freezes and elimination of retirement gratuities) can affect their financial situation, we can offer them the kind of advice they won’t get anywhere else. Furthermore, our profits are reinvested back into better serving the educational community. For example, through discounts on MERs (Management Expense Ratios), hiring additional non-commissioned financial planners (our financial planners are salaried and non-commissioned), adding lending products and services and so on,” says Hamilton.



In the future, investors will need to be explorers.

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Data as of September 30, 2013. Assets quoted in US dollars.

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Because of the wealth of knowledge accumulated over the past decades, Educators Financial Group genuinely understands the financial challenges of Ontario's education community, working with individual clients to meet their needs and goals. Planning, investing and lending, represent the core competencies of Educators Financial Group. However, providing financial education is a common theme throughout them all.

Planning

"With our breadth of knowledge of the education community, which offers us insight into their

financial challenges and goals, we are in the best position to help our clients integrate the financial advice that we provide with the other aspects of their financial life."

"For example, educators have a pension plan, and our advice integrates with this pension plan. Education members can also participate in a deferred salary program such as a "4 over 5" where they can take 80 per cent of their salary over a four-year period, and then take the fifth year off. Whether their plan is to travel, spend time with family or update their skills, we will help them to plan their finances for their sabbatical. Of course there are many other aspects to an educator's life that we always consider when working with them to develop a financial plan," says Hamilton.

Investing

Educators Financial Group offers lower fee mutual funds (with management fees often lower than those of the competition), adding to the clients' bottom line. From RRSPs, TFSAs, RESPs, and RRIFs, Educators provides their own high-quality mutual funds, in addition to the thousands of mutual fund products available on the market.

Educators Financial Group works with leading institutional fund managers that oversee the management of Educators' exclusive group of funds, providing clients with a first-class product offering. Educators' fund managers are AEGON Capital Management Inc., Beutel, Goodman & Company Ltd., HSBC Global Asset Management (Canada) Limited, and BMO Asset Management Inc.

Lending

Educators Financial Group offers its clients smart lending products that save money. Products such as mortgage rates that are consistently below the big banks' posted rates (approximately 1.6 per cent lower), and low-rate lines of credit that can save education members thousands of dollars in interest.

"We help many of our clients pay less interest on their debt, improve their cash flow and pay their debts off faster. Not only do we negotiate the best rates we can for our clients in order to help reduce the amount of interest they pay on their debt, but we also look at ways we can help them reduce their debt. This saves them money, and adds value to their bottom line," says Hamilton.

Financial Education

The three core competencies of Educators Financial Group all come together under the umbrella of Educators being a "financial educator" to its clients. "Financial literacy is now a mandate in Ontario high schools, so we want to make sure that education members themselves have a good grip on their own financial knowledge," says Hamilton.


For example, according to Hamilton, there are two main issues currently happening within the education community in Ontario. The pension plans have recently been reviewed and have undergone changes in benefits entitlement and contribution rates. And education members want to know the impact on their personal financial goals.

"This means that they take home less pay with more money going towards their pension, and they

may be receiving less pension in their retirement," explains Hamilton. "This is a concern for educators in the early stage of their career, and it's difficult for them to clearly see the impact this will have on their retirement. These are the kinds of issues on which we educate them. Then we help them to determine the steps to take to achieve their financial goals."

Educators' Future

In the past five years, Educators Financial Group doubled the number of employees, which included enhancing its call centre in order to improve client service. The plan is to continue to improve on its ability to meet the financial needs of educators through new products and services. It is actively growing the number of educators it serves.

In terms of growth, there are still many education members that have yet to experience the Educators Financial Group difference. "We want more education members to become aware of who we are and are working hard at getting the word out there. We are accredited professionals who exist to serve the education community, so I would like to invite any potential clients to give us a call to find out what we are all about," concluded Hamilton. **CBJ** 

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**GEORGE MEDIA
NETWORK**

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