



# Insights

FALL 2021

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

## DID YOU KNOW?

### Getting started with Responsible Investing can be easier than you think.

At Educators Financial Group, we strive to provide members with investment options they want and need. Our recent Responsible Investing (RI) survey showed that 80% of you considered RI important. Certainly, returns were also important. (One respondent said, *“Of course investments should be responsible.”*)

According to **Michail Tsirikos, Senior Financial Advisor**, *“The challenge is that the number of RI investments is booming. Furthermore, companies can qualify as being RI by satisfying a range of criteria, so how do you choose one that reflects your*

*specific interests? And will your RI meet your financial goals?”*

Thankfully, the answer is simple: Ask your Educators financial advisor. Educators monitors our investments for performance and value to ensure our RI options meet a wide range of financial objectives. Your advisor can answer your questions about Educators’ RI options – including [Canadian and Global Equities](#), [Canadian Fixed Income](#), [Money Market](#) and [Monthly Income Funds](#) – to determine which is the best fit for you. They can also reassure you about returns – RI has been proven to not have

lower returns than other investments. [www.educatorsfinancialgroup.ca/learning-centre/sri-does-not-mean-lower-returns-heres-why/](http://www.educatorsfinancialgroup.ca/learning-centre/sri-does-not-mean-lower-returns-heres-why/)

Our Learning Center has valuable information about RI, such as this article: [www.educatorsfinancialgroup.ca/learning-centre/socially-responsible-investing-youve-got-questions-weve-got-answers/](http://www.educatorsfinancialgroup.ca/learning-centre/socially-responsible-investing-youve-got-questions-weve-got-answers/)

At Educators, we make it easier for you to meet your financial goals. We can answer all your questions about investing, including RI. Give us a call today at [1.800.263.9541](tel:1.800.263.9541).

## CHUCK’S CORNER

### Advice helps build financial resiliency

The past year and a half has taught us what’s really important. Adaptability. Patience. Our family and friends. Staying the course.

It taught us financial lessons, too. Some people lost their source of income, and



incurred debt. Others, like many education members, did not have their income affected. Some even saved money because there were fewer ways to spend it!

At Educators, we saw the value of advice once again. Clients who worked with a financial advisor before the pandemic were better prepared for its financial challenges, with a well-diversified portfolio, and an emergency fund.

It’s never too late to start working with a financial advisor. If your finances suffered recently, an Educators financial advisor can help you get back on track. Our investment platform suits every investment style. We can help those who want to work one-on-one with a financial planner – either in person or virtually. We offer referrals to Qtrade and Virtual Wealth for our DIY investors. Our new Educators Investment Plus Program is a fee-based platform that can help lower your and your family members’ cost of investing. Ask your financial advisor about it today.

We want to be the company you trust to have the right financial products and advice for you, and the company you recommend to your friends and colleagues. Tell us how we can help you meet your financial goals. Give us a call at [1.800.263.9541](tel:1.800.263.9541).

Cheers,

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

**PS: Have questions or suggestions about how we can do more for you? Email me at:**  
[chamilton@educatorsfinancialgroup.ca](mailto:chamilton@educatorsfinancialgroup.ca)



## Today's lesson: making RESP withdrawals.

Your child is off to college or university this fall, and boy, are you glad you contributed to their Registered Education Savings Plan over the years! But now that you're withdrawing (rather than contributing) those much-needed funds, there are things you should know about how withdrawals work and the taxes that may be paid.

**According to Mariam Khan, Senior Financial Advisor,** *"What many don't realize is that there are two different types of withdrawals from a RESP and taxes are incurred depending on the withdrawal type."*

The first type of withdrawal is called Post-Secondary Education Payments (PSE) – funds taken from the money you contributed. These funds are not taxable. Also, there are no limits as to how much you can withdraw from this portion of the RESP, once your child is confirmed to attend an approved post-secondary educational institution.

The other type is Educational Assistance Payments (EAP) which represents the government grants/bonds and any income earned inside the RESP. These withdrawals are taxable, however as your child will probably have little or no income during the school year, they will likely pay little to no tax. You should know that only \$5,000 in EAP funds can be withdrawn in the first 13 weeks\* your child is attending school full time (or \$2,500 if they are attending part-time). **Mariam has another tip,** *"Spreading the EAPs over your child's post-secondary education years can help minimize the taxes."*

For more information about making your RESP withdrawals work for you, talk to an Educators financial advisor today.

\* <https://www.canada.ca/en/services/benefits/education/education-savings/resp/use.html#h1>

How much will you need to save for your child's Education?  
[www.educatorsfinancialgroup.ca/resp-calculator/](http://www.educatorsfinancialgroup.ca/resp-calculator/)

## The TRUE value of advice.

**"Our clients invest differently", says Darryl Martella, Certified Financial Planner professional at Educators.** *"Some prefer meeting one-on-one with a financial advisor, while others prefer DIY options. At Educators, we have the flexibility to give you the investment platform most suited to your needs."*

Do we have a bias towards one? But of course - everyone does! We think one-on-one professional advice is invaluable, especially advice catered to your needs as a member of the education community.

Investors working with an advisor will be interested in a study by the Investment Funds Institute of Canada on the value of professional investment advice. It showed that working with a professional provided both financial benefits and peace of mind to investors with different objectives and at different times of their lives.

It concluded that Canadians working with an advisor and investing for a long retirement saved 3.9 times more over 15 years than investors who didn't. Investors who wanted their portfolio to provide peace of mind were also satisfied –95% of mutual fund investors trusted their advisors for sound advice.

*"Working with an advisor is not just for the experienced", says Darryl.* 37% of investors polled had less than \$10,000 in assets when they started using an advisor; and 55% had less than \$25,000.

For more information on the value of working with an advisor, check out this article: [www.educatorsfinancialgroup.ca/learning-centre/protect-future-professional-advice/](http://www.educatorsfinancialgroup.ca/learning-centre/protect-future-professional-advice/). You can also call an Educators financial advisor to ask any questions, review your financial plan and ensure you are on track to meet your financial goals.

Call us today at 1.800.263.9541.

Discover Educators' on-demand webinars, including "Walk into Retirement with a Plan"  
[www.educatorsfinancialgroup.ca/webinars](http://www.educatorsfinancialgroup.ca/webinars)

## The best way to finance your reno.

Renovating this fall? You're not alone: of 1,500 Canadians surveyed last year, 44% had completed a renovation, or were planning one.

Generally speaking, it's ok to borrow for a reno if you can manage the debt. Meaning you need to know how a loan's interest rate and repayment structure will affect your finances, and your budget.

A home equity line of credit is one way to pay for a reno. It's a revolving line of credit secured by the equity in your home. Interest rates are lower than on unsecured loans, and you can borrow up to 80% of the appraised value of the home.

Another option is refinancing –or increasing – your mortgage. This is best if you have considerable equity in your home, and a good credit score. Some people like refinancing because it must be paid off within a set period, so you can't let it ride. Refinance when your mortgage is up for renewal, to avoid potential fees from refinancing in the middle of your mortgage. If the new rate is lower, you can save despite the fees; but crunch the numbers beforehand. Your Educators mortgage agent can help.

**Federica Scenci, Educators Mortgage Specialist says,** *"It's good to ensure refinancing provides more than enough funds for your reno. If costs go over the estimate, you could have an uncompleted project, or may have to use a credit card or other credit to complete the job."*

Understand your options for financing your renovation. Visit our Learning Center for articles on this topic ([www.educatorsfinancialgroup.ca/learning-centre/4-ways-to-cover-the-cost-of-home-renovations/](http://www.educatorsfinancialgroup.ca/learning-centre/4-ways-to-cover-the-cost-of-home-renovations/)) or talk to a mortgage agent by calling 1.800.263.9541 today!

Saving for a big purchase? Our Big Purchase Calculator will help.  
[www.educatorsfinancialgroup.ca/big-purchase-calculator/](http://www.educatorsfinancialgroup.ca/big-purchase-calculator/)

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