

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

## DID YOU KNOW?

### Canadians believe advisors are crucial to achieving financial success.

The numbers are impressive: 86% of Canadians say that advice from an advisor is critical to reaching their most important financial goals. These goals include several that are top priorities for the education community, such as paying off debt and growing savings; buying a first home; and developing a financial plan. *“At Educators, we have been helping the education community reach their financial goals for over 45 years”, says Ahmed Rageh, Educators Financial Group Senior Financial Advisor.*

Recent surveys of Educators Financial Group® clients reinforce the advantages of receiving

advice from an advisor who is knowledgeable, trusted, and understands the unique financial needs of the education community.

One client outlined what she got from her Educators advisor: *“a focus on my long term goals, and protecting my money. The ROI that I am getting is insanely good.”*

Another client said that her Educators advisor *“helped me devise a plan going into retirement to make me comfortable, achieve my financial goals and be confident that my future is ok.”*

And a third client said that Educators helped

her with a wide range of objectives, from paying off student debt to understanding mortgages and developing a savings plan that worked for her. *“My advisor really helped shift my mindset, from being fresh out of school to what do I want to do long-term financially”,* she said.

Canadians – and Educators’ clients – think that working with an advisor has helped them reach their most important financial goals. Find out how you can also reap these benefits - and more!

Call Educators today at [1.800.263.9541](tel:1.800.263.9541).

## CHUCK’S CORNER

### New! “Taking stock” with Chuck.

COVID-19 kept us on our toes, with new ways of working, taking care of our health, and helping our kids with online schooling. It’s no wonder some of us are not on top of our finances as we usually are. However, with a return to a ‘normal’, pre-pandemic life on the horizon, it’s time to take stock of your current financial situation. Let’s start with your savings.

1. Add up your savings and investments. Include high interest

savings accounts, TFSAs, RRSPs, and non-registered investments. You may be pleasantly surprised. Many educators’ savings accounts and portfolios are quite healthy due to lower expenses and recent growth in the stock markets.

2. Review your RRSP accounts with an Educators financial advisor to see whether it’s complementing your pension, as maximizing your RRSP contribution may not be for you.

3. Top off your TFSA. The TFSA contribution limit for 2022 is \$6,000 for a maximum lifetime TFSA contribution limit of \$81,500, if you turned 18 before the year 2009. While it’s called a savings account, it’s the best way to start investing due to the tax advantages.

4. Talk to an Educators financial advisor about how to save and invest as part of a broader financial plan that’s tailored for you. Plus, consider consolidating your savings and investments with Educators to make it easier to take stock and keep your investment strategy on track.

Remember, we’re here for you – and all your financial needs. Stay tuned over the next year as we discuss taking stock of your other finances in upcoming INSIGHTS.



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## RRSP withdrawals: What's your plan?

While RRSP (Registered Retirement Savings Plan) contributions are top of mind now (because the deadline is quickly approaching on March 1), there's more to managing your RRSP than contributions. How, when, and why you withdraw your RRSP funds is critical. You need a plan.

*"An RRSP withdrawal plan takes into account when you plan to retire, how much retirement income you'll receive, and what you plan on doing – will you be gardening at home, or travelling the world?"* says **Jim Wanamaker, Educators Certified Financial Planner professional.**

*"You'll need to consider all sources of retirement income in order to draw down your registered retirement investments in the most tax-efficient manner. All withdrawals from your RRSPs (or other registered retirement investments) are taxed as income. To minimize the tax implications, you need guidance from someone who truly understands your source(s) of retirement income (e.g. OTPP/OMERS)."*

(For more information: <https://www.educatorsfinancialgroup.ca/learning-centre/learn-how-to-manage-a-registered-retirement-income-fund-rrif/>)

Since many in the education community retire before age 60, it's a good idea to map out a plan as soon as you retire, and before you start to receive payments from CPP and OAS.

There are other factors to how – and when – to start drawing from your RRSP. It's best to discuss these with an expert who has experience helping educators plan their retirement. Talk to an Educators Financial Group financial advisor today.

## Inflation and investing: What you need to know.

While Canadians have coped with low interest rates on GICs and bonds for some time, at least inflation has also been low. However, things may be changing. Canada's inflation rate reached 4.7% in October 2021. Some financial forecasters predict the BoC will hike interest rates in 2022<sup>\*\*</sup>; and many investors are wondering what to do.

**According to Educators Certified Financial Planner professional Darryl Martella,** rising interest rates affect different types of investments for different reasons. *"Rising interest rates – and their higher borrowing costs for companies – can affect stock prices adversely, but history shows that stock returns have exceeded the rate of inflation over time. And fixed term investments can be affected, because when interest rates go up, the return on bonds usually goes down."*

*"It's important to know the strategies that mitigate the impact of rising interest rates on your investments",* says **Darryl.** Diversification across geographic regions and sectors is good, because it's difficult to predict which areas of the equity markets will be affected in an inflationary environment. And a technique called 'laddering' can reduce the effect of inflation on your GICs. (For more details, go here: <https://www.educatorsfinancialgroup.ca/learning-centre/rise-and-shine-investing-when-interest-rates-rise/>)

If you have questions about how inflation could affect your investment portfolio, and how to ensure you stay on track to reach your financial goals, talk to your Educators financial advisor today at [1.800.263.9541](tel:18002639541)

## Your interest rate: Why it matters.

For many Canadians, getting a low interest rate could become a lot more important, soon. Consider the facts:

**Fact #1:** If you're an average Canadian, the amount you're paying on your debt is going up. From April to June, 2021, Canadian households had \$1.73 of debt for every dollar they made – up 8.61% from the same time in 2020\*.

**Fact #2:** A rise in interest rates is being predicted for 2022<sup>\*\*</sup>.

**Fact #3:** A one percentage point hike by the Bank of Canada would mean a 2.6% variable rate mortgage would increase to 3.6%... or over 38% more! (For more details, see here: <https://www.educatorsfinancialgroup.ca/learning-centre/rising-interest-rates-cost/>)

When it comes to the importance of shopping for the lowest interest rate, need we say more?

*"Getting the lowest possible interest rate on a mortgage takes time, effort, and knowledge of the lenders out there",* says **Mara Rossi, Educators Financial Group Mortgage Specialist,** *"but it's critical for many homeowners today. That's where a mortgage broker can really help."* Mortgage brokers, like Educators Financial Group, work with many lenders to get the best rate and terms for their clients.

Other strategies to ensure you can get a low interest rate include maintaining a good credit rating (always pay your bills on time!), consolidating debt into one low interest rate loan, and perhaps renewing your mortgage early, before rates increase. An Educators mortgage specialist has ways to help ensure you pay as little interest as possible on the debt you carry. Talk to us today at [1.800.263.9541](tel:18002639541)

Will your retirement income be enough? Use our Pension Income Gap Calculator: <https://www.educatorsfinancialgroup.ca/calculatepensiongap/>

Do hidden emotions and biases affect your investment decisions? <https://www.educatorsfinancialgroup.ca/learning-centre/investing-you-and-your-emotions-here-are-the-issues/>

How much would your mortgage increase should your interest rate increase? Find out: <https://www.educatorsfinancialgroup.ca/learning-centre/rising-interest-rates-cost/>

## Educators Financial Group

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\*[https://betterdwelling.com/canadian-household-debt-is-rising-faster-than-income-at-a-record-rate/#\\_](https://betterdwelling.com/canadian-household-debt-is-rising-faster-than-income-at-a-record-rate/#_)

\*\* <https://www.reuters.com/world/americas/bank-canada-signals-it-could-hike-rates-sooner-than-expected-2021-10-27/>

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