

Your Money



Finder™

NEWSLETTER
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Who needs a financial plan?

When it comes to financial planning, many people assume it's for someone else. But who is the other person? The wealthy? Those in debt? People with a large family?

The truth is that practically everyone can benefit from some kind of financial planning. And the process may be easier than you think. If you have long-term financial goals such as paying off your mortgage or funding your children's education, financial planning may help you get there faster, because it keeps you organized, motivated and focused on your financial goals.

You begin by taking a close look at where you are today and what your financial needs require you to accomplish, today and in the future, to reach your financial goals.

Which of the following best describes your present life-stage?

Building for the future. You have recently begun building your savings and you may be looking for more and better ways to accumulate assets for the future – for example, by saving more money, lowering borrowing costs and learning the best ways to invest. To achieve the most effective results, you should consider financial planning. It's not complicated and it can help you get control of your money from the very beginning.

Your financial picture is more advanced or established. You have significant levels of assets, but you also have a growing number of financial needs and family responsibilities. Financial planning can make it easier for you to reach your financial goals, such as saving for your children's education, paying off a mortgage or investing for retirement.

Accumulating and preserving your assets is your principal priority. If you have accumulated a significant level of assets, you may have become more cautious about how best to protect your assets, especially where your investments have become key sources of income and financial security. This is a perfect time to integrate a comprehensive financial strategy that includes banking services, investments, estate, trust and business succession planning. You may also wish to consider the individualized full service of working with a private banker.

No matter where you are in life, it really does pay to have a plan that can help you integrate your entire financial picture, optimize your investment portfolio, minimize financial risk and enjoy greater peace of mind.

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 **Scotiabank Group™**

Life. Money. Balance both.™

Customized financial planning

For more information on financial planning, speak with a knowledgeable Scotiabank advisor to find out how a personalized plan can help you meet your financial goals. We draw on a team of experts and resources that can help you build a plan for your future.

Are your investments keeping up with your expectations?

The purpose of investing is to wind up with performance success, whatever your goals may be. But success often requires some investment monitoring to make sure your investments are on track and accomplishing the results you're looking for. At Scotiabank, we believe you can help keep your investments on track by following a few simple guidelines.

Be sure that your investments fit your investor profile.

This means that based on your age, your goals and your comfort with investment volatility, you need to match your investment portfolio to your individual profile.

For example, if you're a conservative investor who is uncomfortable with the ups and downs of the stock market, you may choose to invest in more fixed income securities that match your comfort level for investment volatility.

Diversify your long-term investments.

Your investments should include a balance of different asset classes, such as equities, fixed income, and cash-equivalents. Be sure your portfolio is reviewed periodically in case it needs to be rebalanced because of market fluctuations, changes in the economy or even changes in your personal circumstances.

Take full advantage of your RSP by maximizing your contributions each year.

An RSP is a powerful tool for growing savings, and Canadians should take full advantage of its features.

The purpose of an RSP is to give you the opportunity to grow your money on a tax deferred basis, in addition to helping to reduce your income tax. Discuss with your financial advisor ways in which you can find the money to contribute the maximum allowed to your RSP, and catch up on any remaining contribution room from previous years.

Maximizing annual RSP contributions is especially important for small business owners and the self-employed. If you do not have a company pension to support your retirement goals, your RSP may be your only "pension plan."

Consolidate your investments where you can.

Having your investments consolidated in one place makes tracking and assessing the comparative values of your investments easier to do. Your financial advisor can help you choose appropriate investments, and can help you reassess the performance of your investments on a regular basis.

Investing is a lifelong process. The end result will depend on your long-term strategy, but it will also depend on how well you apply the above guidelines to keep your investment performance on track and in line with your investment expectations.

Financial success stories can happen to anyone.

Here's a touching story from a Scotiabank customer who took our advice on how to Find the Money. It changed her life, and that of her children.

"Three and a half years ago, my pre-school children and I were financially ruined when their dad died. We had big lawyers' bills, no income and no help. I had to declare bankruptcy.

On faith alone, I started college. I didn't qualify for an Ontario Student Assistance Program (OSAP) and had to pay for my studies myself, as I went along. I decided that the only way I could have any hope of succeeding at my studies and providing a new life for my children was to make a financial plan. I started to save a portion of our small income automatically. And it all worked. I now have \$5,000 in RSPs, \$2,000 in an RESP for the boys and a respectable emergency fund in the Scotia Money Master account.

What's more, I'm now in my third year of college and the real miracle is I am debt-free. Thanks Scotiabank, for treating me with respect, valuing my business when I had nothing, and helping me plan our future."

Dawn B., Ontario

Dawn has won a copy of David Bach's latest bestseller, *Start Late, Finish Rich*.

Don't forget to send in your Find the Money Tips



Every Find the Money tip we publish in our **Money Finder Newsletter** will win a copy of one of David Bach's bestsellers, either **The Automatic Millionaire™** or **Start Late, Finish Rich™**. (See back page for submission information.)

You're richer than you think.

If you are a homeowner, the equity in your home is one of the most valuable assets you have. If you're planning renovations for the spring, knowing which renovations can add value to your home will help you make an informed decision. Here are a few suggestions on how you might increase the value of your home and your home equity, while at the same time, make your home more attractive and comfortable.

Consider the following trends* in home renovation to increase the value of your home in today's marketplace:

- Energy retrofitting from insulation to energy-efficient heating.
- Multi-generational housing, for children staying at home longer or for aging parents.
- Accessible housing features, including lever-type door handles, grab-bars and non-skid flooring.
- The home office, with built-in workstations, shelving, and storage space.
- Home entertainment centres.
- Air quality improvements.
- Home security systems.



*From the Canadian Home Builders Association

For any investment, time is as important as rate of return

Investing lets you take advantage of saving over long time periods; so the sooner you start investing the better. It doesn't pay to wait until the mortgage is paid off or you've received that important raise. Start now, even if you can afford only \$50 a month.

Look at the difference time makes in the following investment strategies:

Savings Strategy	Monthly Savings Amount	Total Amount Invested	Total Value of Investment with Earnings in 20 years.
Start in 2006	\$50 a month for 20 years	\$12,000	\$25,386
Delay until 2016	\$100 a month for only 10 years	\$12,000	\$17,112

*7% return rate, compounded annually.

You'd have to almost triple your savings rate to reach the same total value if you wait ten years to begin. This snowball effect of time and the compounding of earnings creates accelerated growth.

Wouldn't it be nice if your savings just accumulated on their own?

To make saving easy to do, consider setting up a pre-authorized contribution plan with Scotiabank's *Pay Yourself First*™ plan. Do it once, and your savings are taken out of your account on a regular basis (e.g. monthly, bi-weekly) automatically. There is no easier way to save.

Just a thought

"It's reported that only about 40% of Canadians who are eligible to invest within an RSP do so, and of those, only 25% contribute the maximum eligible amount. I am convinced that if people knew what they were missing out on – how they were cheating themselves out of a secure and comfortable future – hardly anyone would fail to take full advantage of their RSP."

- David Bach, from his best-seller,
The Automatic Millionaire

Send your submissions to
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