

# Canada's advisers reveal their best suggestions for managing your money in 2018

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The people who have seen you naked, financially speaking, have some ideas about how you can better manage your money in 2018.

Financial planners and investment advisers in my LinkedIn network were asked a few weeks ago to complete this thought: "If I could change one thing about how Canadians manage money, it would be to..." Here are some highlights from 199 comments covering a great range of topics, starting off with overspending and undersaving.

Note the sense of urgency in many of these comments. Taken together, they suggest a genuine sense of worry about excessive spending and not enough saving and investing. Cynics will say advisers are just prospecting for more money to invest with their suggestions, but that's an evasion. Given the record household-debt levels in this country, all ideas for improving our finances deserve a hearing.

Here's how the planners and advisers answered the question:

"Have them save 10 per cent of their T4 income first, and enjoy spending the rest." (note: The T4 is a tax slip documenting how much gross income you were paid by an employer)

*-Barry Rebuck, adviser*

"Have them learn to live on 80 per cent of their after-tax income and save the rest for retirement."

*-Brenda Antonyshyn, chartered financial analyst (CFA)*

"Have them live below their means. Simplify their financial lives and stop trying to keep up with the Joneses. The Joneses are in debt."

*-Cheryl Campbell, certified financial planner (CFP)*

"To have them ensure their cost of living never exceed their actual revenues."

*-Mathieu Joubert, certified public accountant*

"Understand that FOMO – fear of missing out – is driving many of your money decisions."

*-Meghan Chomut, CFP*

"Don't fall into the trap of using your home equity line of credit as your personal ATM. Budgeting instead of borrowing. Understand the real cost of 'buy now, pay later.'"

*-Karen Sage, CFP*

"Stop spending money you don't have to buy crap you don't need to impress people you don't know."

*-Robert Gignac, financial industry speaker and author*

"Plan for the unexpected. Life will throw you a curve ball – new roof, sickness, disability, etc."

*-Angel Georgijev-Low, CFP*

"Understand that paying off debt is the only guaranteed positive rate of return."

*-John Harvey, manager of public investments at Nunavut Trust*

"If I could change one thing about how Canadians manage money, it would be invest in themselves before investing in a portfolio. The greatest return is an investment in your skills and your greatest earning power comes from those skills. Invest in yourself first and allow the dividends from that investment to fund your portfolio."

*-Lampros Parousis, private client wealth adviser*

On the role of housing in your investment planning:

"Understand that an investment in real estate is NOT guaranteed to go up."

*-Amandeep Sangha, CFA*

On investing:

"Realize that Canada is only 3.2 per cent of world capital markets and a very poorly diversified index. [It] lacks health care and technology exposure, two huge growth sectors for decades to come."

*-Larry Berman, chief investment officer, ETF Capital Management*

"To not be overweighted in Canadian bank stocks."

*-Connie Brown, chartered market technician (CMT)*

"Understand that investing is a marathon, not a sprint. Do not allow irrational and impulsive emotions to alter your long-term plan."

*-Aleem Israel, CFA*

"Understand the compounding effect fees have on your long-term returns. For most people, they can save hundreds and thousands of dollars by moving to lower fee products."

*-Steve Bridge, money coach*

On retirement:

"To have a better understanding of how much you really need to save in order to retire comfortably. Find an adviser who asks you what your goals and values are and who doesn't just focus on performance and fees."

*-Julie Reimer, CFP*

"To plan on living (and working) a lot longer than your parents' generation."

*-Marc Vincelli, statistical consultant*

"To retire when you have practised living on your retirement budget. I have seen people fairly adamant that their grocery budget for two adults would be \$300 a month. Perhaps I need to take some shopping lessons from them!"

*-Margaret Clarke, personal financial planner (PFP)*

On working with an adviser:

"Ask questions and be engaged – financial/retirement planning is a team sport."

*-Derrick Lindsay, financial adviser*

On quick fixes:

"There is not one thing they can do ... it is not that easy. Saving more does not work without saving right and leaving it saved. Saving in a registered retirement savings plan only to pull the money out

and use it as a down payment for house is just another taking-from-Peter-to-pay-Paul scenario. If you cannot save for house and save for retirement, perhaps you are buying too much house, or too early, or in a neighbourhood you cannot truly afford."

*-Dan Noonan, investment adviser*