‘There is no fun spin on reality – 2023 will be brutal on a lot of families’

[Rob Carrick](#) Personal Finance Columnist
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People pay for their items at a grocery store in Toronto, on Nov. 22.

CARLOS OSORIO/Reuters

I’m off next week, so let me take this opportunity to wish you a happy holiday season. Thanks for reading, and stay tuned for much more personal finance and investing coverage in 2023. The Carrick on Money newsletter will resume in January.

Earlier this week in the Carrick on Money newsletter, four people in the investing, financial planning and real estate worlds highlighted a trend or theme they think will be big in 2023. Here's the next batch of responses, which have been edited for length and clarity:

Bruce Sellery, CEO at Credit Canada – The year of hard choices

Many people have been able to hold on, tread water and just survive the rising cost of almost everything. This coming year will be one of hard choices that just can't be put off any longer. Fixed-rate mortgage holders will experience a cash flow shock on renewal, and credit card debt levels will become unsustainable for many. Despite the desire to maintain life as we know it, tough trade-offs will have to be made between needs and wants, between saving and spending, and between meeting the needs of today and tomorrow. There is no fun spin on reality – 2023 will be brutal for a lot of families. Here's hoping that the hard choices will be made, that people will be kind and that the hardship passes quickly.

Sheila Walkington, co-founder of Money Coaches Canada – Mindful spending

Cash flow is king in my world, so I think a return to being more aware of where our money goes will be top of mind. I also think where and how we shop will be up for review as well. Shopping different stores for better prices and waiting for sales instead of paying $9 for butter sticks. I hope people consider a return to using cash or debit. I love my credit card and the points attained just as must as everyone else, but it's time to consider the fees this is costing the retailer, especially our small local businesses.

Dan Bortolotti, associate portfolio manager at PWL Capital – Looking ahead to lower rates

The era of low interest rates and low inflation ended with a thud in 2022, and that rattled a lot of investors. If rates stabilize in 2023, I'm optimistic that we'll see at least two positive developments. First, investors should regain their confidence in bonds as part of a diversified portfolio, and those who didn't bail in 2022 should be rewarded for their patience. Second, even if interest rates fall, I think people have lost their appetite for using lines of credit to invest. This seemed like a no-brainer for years, but now we've woken up to the risks.

Jane Bolstad, advice-only financial planner – More people seeking plain financial advice

People are waking up to the reality that the financial advice they are getting may not be in their best interest. They are looking for alternatives, like advice-only financial planners who are paid directly for their work and not compensated through the sale of investments. I have people of all ages coming to me looking for answers to questions that they aren't getting from their banks and investment advisers, or questioning whether the advice they received is best advice for them.

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Rob's personal finance reading list

Would you like insurance with that mortgage?

If your lender offers life insurance on your mortgage, take a pass and instead check out a term life policy from an insurance company. All the reasons why you should say no to mortgage insurance from your bank are laid out here.

The no-good, very bad bank

The big U.S. bank Wells Fargo has been ordered to pay a stunning penalty of US$3.7-billion for what amounts to a complete breach of client trust in their financial institution. The offences include wrongfully foreclosing on homes, illegally repossessing vehicles, incorrectly assessing fees and interest and charging surprise overdraft fees. A reminder to pay close attention to your dealings with all financial companies.

A happy housing story

It's rare I'm able to present a housing story with a happy ending. To save money on rent, a young woman in Vancouver rents a room from an 86-year-old. It all works out. Now, back to business as usual … all about how a plan to spend less by owning rather than renting backfired.

If Scrooge had Instagram

Ebenezer Scrooge spreads the good word on miserliness and trickle-down wealth.

Ask Rob

Q: Why do people use banks instead of credit unions? The banks are huge for-profit businesses and credit unions are non profit, with lower service fees and higher interest rates on savings, plus many more advantages. Why don't Canadians switch to credit unions?

A: The big banks have huge branch networks and big marketing budgets, credit unions don't. That helps explain why banks dominate in financial services, even while there are credit unions in pretty much every community. Let's not generalize about the benefits of credit unions. While they are owned by their members and thus non profit, they do not always offer better rates or lower fees. If you've considering a particular credit union, compare what they have to offer to banks.