



I'm Worth It

Financial Stories, Ideas
and Strategies for Women



THE MANITOBA
SECURITIES
COMMISSION





Having a *Clear* Understanding

and taking control of your finances, no matter how old you are, or what situation you're in, can help you do more, achieve more, and live an overall happier life.

This guide is a collection of shared stories and advice on how to help yourself and others with financial management.

Stories, Ideas and Strategies





Looking back, one of the most helpful lessons I learned was instead of planning my income around bills or the things I hoped to buy, I aligned every dollar I spent with my values – freedom, friends, and family. This helped me find the most fruitful ways to spend and invest my money and also find where I needed to cut back.

Yes, I ran into a few bumps along the way, but I believe that through following my values, budgeting, and making a few smart financial decisions, I'm leading a more confident and secure life. And as a woman, this is now more important than ever.

Statistics show that women are still behind the curve when it comes to managing their finances. In Manitoba, only 47% of women hold some sort of investment compared to 62% of males. Women are less likely to hold stocks as an investment (9% compared to 27% of males), and when it comes to attaining our financial goals, 64% of women say they worry about this, compared to only 42% of males. Women earn 25% less than males, have less in pensions and savings, and are more likely to live in poverty after the age of 65.

By taking control of your finances and talking openly about money with your family, your partner, and even your children, you'll be able to feel confident, secure, and make the most of your hard-earned dollars. You'll also be better prepared for whatever life happens to throw your way.

This guide was written to help you better understand the unique financial situations women may experience in life. It will help you better understand your financial position, and walk you through the process of using money to the best of your ability. You'll assess your values, evaluate what drives your financial decisions, and see the connection between money and the role it plays in important relationships in your life. By understanding your unique financial situation you will be able to start thinking about a long-term plan for achieving your goals and dreams, and take control of your finances in a way that will help you achieve an overall happier life.

 Ainsley Cunningham

Manager, Education and Communications
The Manitoba Securities Commission

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Understanding *Your* Values

Quiz – Childhood Memories and Adult Behaviour

by Lois A. Vitt, Ph.D, Institute for Socio-Financial Studies

When you spend money or make investment decisions, you might actually be repeating the actions of your parents and family members without considering if those actions work for you. In fact, you might be imitating behaviours that you don't even agree with.

The following quiz will ask you to recall your childhood experiences, dreams, fantasies and memories. You'll examine the lessons you were taught about money in childhood, and recognize how this has influenced your adult spending habits. You'll discover how your values were formed and perhaps even a few things you'll want to change about yourself.

Together is Better

If you have a "significant other" in your life, ask them to take this quiz with you! (There is an extra quiz for them on the next page.) By comparing notes, you'll be able to understand each other better and smooth out potential problems before they happen.

Your Quiz

1. Think carefully about your childhood and how you interacted with your parents and siblings when it came to your allowance, discussions (or disagreements) about money, silences when you asked questions, the purchases you made, the “things” that you wanted, how and whether you got them, and the purchases and decisions about money that were made for you. Write a few summary points that you recall as being particularly significant.

2. What is your most positive childhood memory of money, finances, or the things that you knew money could buy? What did you enjoy and why? What made it “special”?

3. What is your most negative childhood memory of money, finances, or the things that you knew that money could buy? What did you most dislike? What experiences related to money and finances made you unhappy when you were a child?

4. Compare your childhood experiences with your financial habits as an adult. Do you recognize any childhood patterns or preferences brought into adulthood? Are these patterns or preferences compatible with your adult values and lifestyle? Or do they cause disharmony?

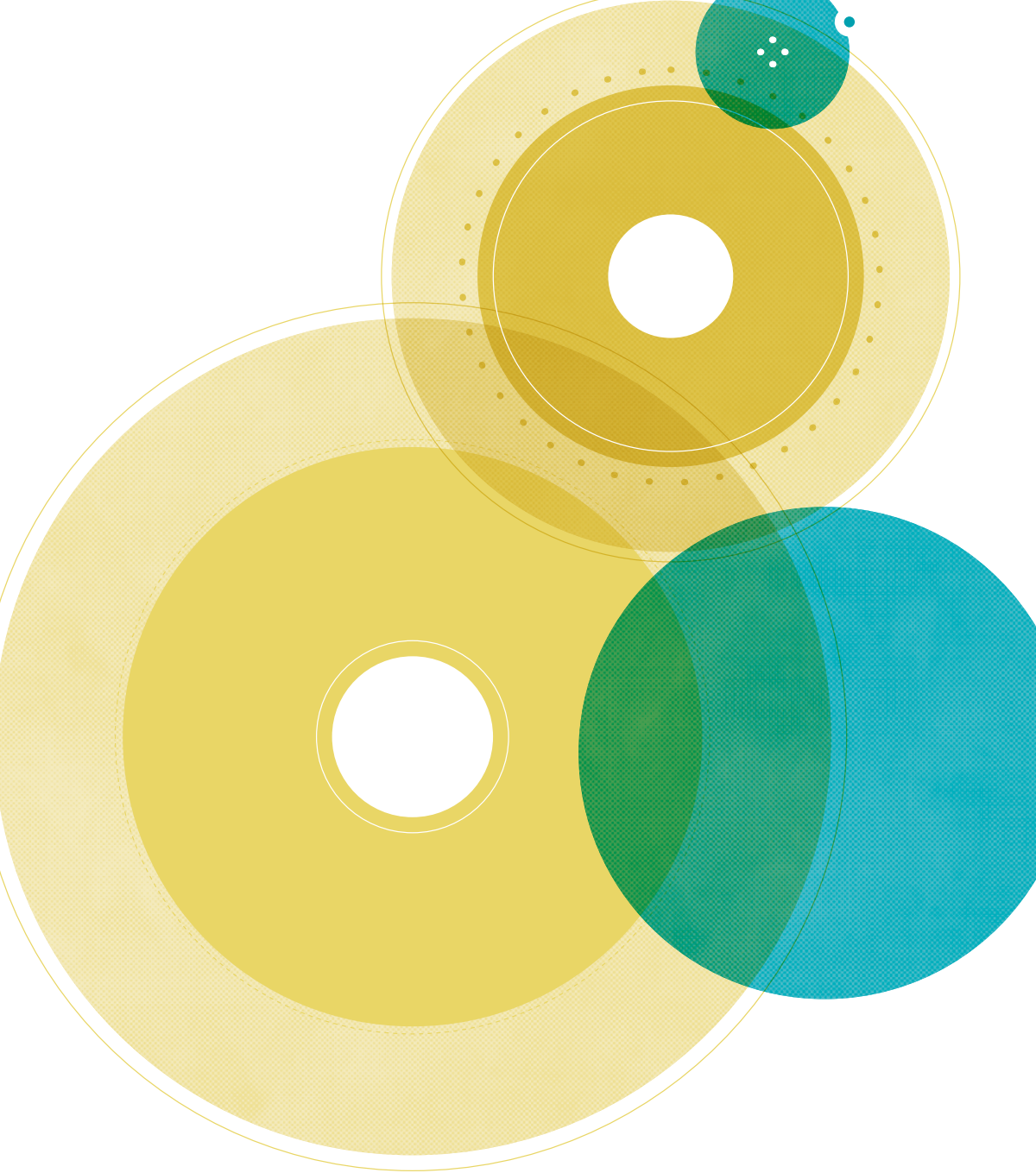
Your Partner's Quiz

1. Think carefully about your childhood and how you interacted with your parents and siblings when it came to your allowance, discussions (or disagreements) about money, silences when you asked questions, the purchases you made, the “things” that you wanted, how and whether you got them, and the purchases and decisions about money that were made for you. Write a few summary points that you recall as being particularly significant.

2. What is your most positive childhood memory of money, finances, or the things that you knew money could buy? What did you enjoy and why? What made it “special”?

3. What is your most negative childhood memory of money, finances, or the things that you knew that money could buy? What did you most dislike? What experiences related to money and finances made you unhappy when you were a child?

4. Compare your childhood experiences with your financial habits as an adult. Do you recognize any childhood patterns or preferences brought into adulthood? Are these patterns or preferences compatible with your adult values and lifestyle? Or do they cause disharmony?



Understanding *Your* Motivations

Creating a Financial Roadmap

A financial roadmap is an outline of your values, goals and financial plans.

A financial roadmap will help you to:

- Understand what is most important in your life.
- Understand what drives your financial decisions.
- Focus on accomplishing your goals.
- Stick to your financial plans in order to see your goals become reality.

The following three-step exercise will help you create your own financial roadmap based on your unique situation. Read each step carefully and then fill in the blanks on the next page.

Step 1: Your Values

Believe it or not, values are what drive almost every financial decision you make! Values are what you consider to be the most important things in life. Happiness, health, security and freedom are just a few examples.

Not sure what your values are? Ask yourself:

- What brings me meaning and pleasure in life?
- What do I consider “priceless”?
- What do I stand for?
- What do I care most deeply about?
- Who are the most important people in my life?
- Are there any lessons I learned as a child that I hope to pass along to my own children someday?

Step 2: Your Goals

Goals are accomplishments you work toward that fulfill your values. These could include paying off your debt, purchasing a home and saving for retirement.

By listing your short- and long-term goals, and aligning them with your values, you might discover a few spending habits that don't fit in the grand scheme of things. This will make it easier for you to justify cutting these expenses out of your life.

When listing your financial goals, ask yourself:

- S – Are my goals *specific*?
- M – Are my goals *measurable*?
- A – Are my goals *attainable*?
- R – Are my goals *realistic*?
- T – Is it possible to reach my goals within a certain *timeline*?

Do my goals prepare me for unforeseen circumstances or potential challenges in life?

Step 3: Your Plans

How are you planning to reach your goals? What specific steps do you need to take? Your plans are essentially the financial “baby-steps” that you take every day toward achieving your goals. By writing down these plans it will be easier to visualize yourself achieving your goals and fulfilling your values.

Together is Better

If you have a “significant other” in your life, ask them to complete a financial roadmap with you! (There is an extra roadmap for them on page 15.) By comparing notes, you'll be able to understand each other better and smooth out potential problems before they happen.

What Does Being “Wealthy” Really Mean?

by Evelyn Jacks

For most people it's about relativity. For example, relative to many other countries, we as Manitobans are all wealthy. Relative to the “stuff” our neighbours have, perhaps not. (If “keeping up with the Jones” is important to you.)

For others, being wealthy means having enough to meet their wants and needs now and in the future – having peace of mind.

The path to wealth can be complicated, but it starts with understanding your relationship with money. The goal is to attach your values to financial decision-making. This will help you establish a consistent process to accumulate, grow, preserve and transition your wealth. This way, your wealth – whatever it looks like – will be built on the foundation of what you feel is most important in life.



Your Financial Roadmap

Feel free to update your roadmap as much as you like. Adjust things to make sure they fit your current situation and to make sure they are attainable.

<i>Values</i>	<i>Goals</i>	<i>Plan</i>
Example: Health	Exercise for 30 minutes, five times per week.	Put \$25 per paycheque into a savings account to save for a bike or piece of exercise equipment.

Your Partner's Financial Roadmap

Feel free to update your roadmap as much as you like. Adjust things to make sure they fit your current situation and to make sure they are attainable.

<i>Values</i>	<i>Goals</i>	<i>Plan</i>



Making the Most of *Your* Money

Navigating Your Financial Roadmap

Now that you have a clear definition of your personal values, goals, and financial plans, the next step is to put those plans into action! Through budgeting, smart shopping, and starting or continuing to invest, you'll be able to save more money, reach your goals faster and feel the satisfaction of taking control of your finances for a more secure and less worrisome future.

Try using the roadmap you created in the previous exercise as a guide to help you through financial situations in your life:

- ***Spending.*** A roadmap can help you better understand your spending habits and where you can make improvements in the way you spend money. If your bank account shows a long list of mysterious late-night withdrawals and spontaneous small-ticket items it might indicate that your spending habits need to be monitored and perhaps adjusted. A roadmap can help you focus on the things you value in life, and ensure your spending habits line up with these values. For more tips on shopping and spending habits, check out page 19.
- ***Budgeting.*** Your roadmap can help you determine the best ways to budget your money in order to fulfil your values. Whether it's for personal expenses like going out for dinner, or the more necessary things like loan repayments, rent, or transportation, your financial roadmap will help you build and maintain a budget. This will allow you to work towards the goals you have set for yourself. For more tips on budgeting, check out page 24.
- ***Saving and investing.*** Your financial roadmap will help you to visualize your short- and long-term goals and get you thinking about steps you can take today to help you reach your goals. For more information on saving and investing, check out page 30.

- **Money and relationships.** While helping you to better understand yourself, a financial roadmap is a great tool for open communication between you, your partner and the important people in your life. Share your financial roadmap with your loved ones so they can better understand your financial motivations. With everything out in the open, there will be fewer surprises along the way. For more information on money and relationships, check out page 55.

You'd be surprised to find out where your money goes if you take the time to look at it. Grabbing hold of your finances and being in charge of where your money goes is an empowering feeling. It gives you the power of control, and who doesn't want to take control of their life? So many women just "don't want to think about it" and let themselves get too far behind.

Look your financial problems in the face and
show 'em who brings in the bacon.

Vanessa



Often when I separate myself from a desired object, I can really rationalize why I don't need it.

Laurie

Smart Shopping

To reach your financial goals, and get the most out of your money, becoming a smart shopper is pretty much essential. This doesn't mean depriving yourself of the things you love, but simply looking for ways to take control of your wallet.

How to become a smart shopper:

- **Double check.** Before you spend, ask yourself, "Do I need this, or do I want this?" "Want" items are easier to live without.
- **Shop with cash.** Rather than just swiping a plastic card, pay for everything with cash. Withdraw only what you've budgeted for each day so you can see exactly how much you're spending.
- **Make a list.** Make a shopping list and stick to it! Don't get distracted by other things on the shelf. If you needed them, they would already be on your list.
- **Pack a lunch.** Bring a lunch to work and watch extras like takeout coffee and snacks. They can add up to hundreds, even thousands of dollars a year.
- **Check your loyalty points.** Loyalty programs are handy when it comes to buying gifts for your friends and family.
- **Avoid emotional shopping.** Feeling bored, stressed, or angry? Put down that wallet! Emotions can have a huge impact on how you handle money. Try to become more aware of your feelings and why you're feeling them. If you avoid emotional spending, you will save money, and avoid feeling "shopper's remorse."
- **Don't deprive yourself.** Just like dieting, if you don't allow yourself any treats you might end up "binging." Budget in luxury expenses like pedicures, or consider trying an at-home pedicure instead.

- **Zero balance every month.** Don't use credit unless you can pay your full balance every month. Otherwise interest will accumulate, making it very expensive and difficult to pay off your balance.
- **Build good credit.** A good credit rating is something you'll need if you want to purchase a home, car or other big-ticket item. If you let yourself get into serious debt, it will be extremely hard to get back out.
- **In debt? Get out the scissors.** If you're in debt, cut up your credit cards to help you from falling into even more debt.
- **Double down.** Put an extra payment on your car or home whenever possible. This can save you tremendously on interest charges, but make sure to check with your bank before doing so – there might be fees associated with making extra payments.
- **Pay your bills electronically.** You won't see the cash or be tempted to spend it.
- **Research to find free money.** Investigate grants and bursaries for your children's education. Look for money saving opportunities and offers at different financial institutions.
- **Educate yourself.** Learn about budgeting, investing and other ways to make your money grow. Discuss different strategies with your family, friends and financial adviser.

All those lattes add up over time. I'm always surprised how many people are spending more than they're bringing in.

Vanessa





I used to be a real “shopaholic” in my 20s and early 30s.

One day, after a disappointing job interview, I spent the rest of the day shopping – all on credit. I realized that I was using spending to make myself feel better in the moment, but I ended up feeling awful because I could never clear my debt or save any money. I never accumulated a lot of debt, but I had no savings. I knew I had to change my habits.

If I were to give a message to other women about money management, it would be to not get caught up in the idea that women have to have hundreds of pairs of shoes and purses and spend tons of money on “fun.” You’ll feel much more confident and attractive if you don’t have financial problems. Think hard before buying small items like cosmetics and accessories. They’re usually impulse buys, and they add up.

 Leslie

Budgeting

A budget is a tool that helps you gauge exactly where your finances are now, and helps you get them where you want them to be. A well-balanced budget should help you make financial decisions with confidence, and worry less about your future. Check out the budgeting tips below and then try filling out the budget worksheet on the following pages.

Budgeting tips:

- **Be detailed.** Make sure you track even your smallest expenditures, including your daily coffee! These can add up to hundreds of dollars a year.
- **Track everything.** Complete a budget worksheet (located on page 26).
- **Cut back.** Look at your fixed expenses as well as your discretionary spending to see where you could be saving more money:
 - To save on water, take shorter showers, and always completely fill each load of laundry.
 - For a lower energy bill, turn off the lights when you leave the room and use energy efficient light bulbs.
 - Spend less money on heating and cooling your home by adjusting the thermostat, especially if you are not going to be home.
 - Save money by bundling your phone, TV and Internet into a package deal. Shop around for the best service provider and ditch the TV channels you barely watch.
 - Consider “doing it yourself” rather than paying for household repairs.
 - Grow your own vegetables.
 - Walk or ride your bike whenever possible.
 - Cut back on the number of coffees, movies, or dinners out.

Have a clear idea of what you want or need to buy and budget for it.

Luisa

Learning to balance my budget was the first step in managing my money. A budget gave my children and I the opportunity to see where money was going and to look at spending trends over the weeks, months and years.

Laurie



Monthly Budget Sheet

<i>Income</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Monthly Pay (after taxes)		
Alimony or Child Support		
Other Income		
TOTAL		
Difference (+/-)		

<i>Transportation Expenses</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Car Payment		
Auto Insurance		
Gas		
Parking Costs		
Mass Transit Costs		
Other		
TOTAL		
Difference (+/-)		

<i>Housing Expenses</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Mortgage/Rent		
Property Tax		
Home/Rent Insurance		
Condo Fees		
Electricity		
Gas/Heating		
Water/Sewage		
Telephone		
TV		
Internet		
Other		
Other		
TOTAL		
Difference (+/-)		

<i>Savings/Contributions</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Personal Savings		
RRSP		
RESP		
Other		
<i>TOTAL</i>		
<i>Difference (+/-)</i>		

<i>Debt/Loan Payments</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Credit Card		
Line of Credit/Loan		
Legal Fees		
Alimony or Child Support Paid		
Other		
<i>TOTAL</i>		
<i>Difference (+/-)</i>		

<i>Personal Expenses</i>	<i>Monthly Budget</i>	<i>Monthly Actual</i>
Groceries		
Cell Phone		
Entertainment		
Gifts		
Clothing		
Charity		
Vacation		
Dry Cleaning/Laundry		
Personal Grooming		
Furniture		
Other		
Other		
<i>TOTAL</i>		
<i>Difference (+/-)</i>		

Child-related Expenses	Monthly Budget	Monthly Actual
Child Care		
School Tuition		
Lunch Money		
School Supplies		
Extra-curricular Activities		
Allowances		
Cell Phone		
Other		
TOTAL		
Difference (+/-)		

Health/Medical Expenses	Monthly Budget	Monthly Actual
Dentist		
Optometrist		
Medicines		
Other		
TOTAL		
Difference (+/-)		

ADD IT UP	Monthly Budget	Monthly Actual	Difference (+/-)
Total Monthly Income			
Total Monthly Expenses			
Difference (+/-)			

Balances	Month Beginning	Month Ending
Chequing Account		
Savings Account		
RRSP		
RESP		
Credit Card		
Line of Credit/Loan		
Other		
Other		

This image shows a blank sheet of white paper with horizontal blue lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Saving for Your Future

Even if you haven't figured out your long-term goals, or even thought about retirement, saving money for the future means you'll have more control of your finances and less stress further down the road. Since you never know what life is going to throw at you, here are a few long-term savings plans for you to consider and discuss with a financial adviser:

Registered Retirement Savings Plan (RRSP)

A Registered Retirement Savings Plan (RRSP) helps you save for your retirement by deferring income tax and allowing your retirement savings to grow tax-free. RRSPs help you reduce your taxes today while you save, so they encourage you to save more. Here are a few frequently asked questions about RRSPs:

- ***How much can I put into my RRSP?*** There are rules about how much you can contribute each year. You can put more money into your RRSP as your job income grows. To find out how much you can contribute this year, look at the statement you got from the government when you did your income taxes last April (Notice of Assessment).
- ***How do I reduce my taxes?*** When you put money into your RRSP account, you get a receipt showing how much you contributed. You don't pay income tax on this amount at tax time if it stays in your RRSP. You only pay the tax when you take the money back out of the plan.
- ***How might my savings grow?*** The money you put into your RRSP is used to buy investments and there are many kinds for you to choose from. The money you make on these investments is not taxed until you take it out of the plan. But be careful, like any investment, it is important that you choose the type of investment that fits your situation. Not all investments are guaranteed to grow. Guaranteed Investment Certificates, Manitoba Builder Bonds and Canada Savings Bonds are guaranteed to provide returns where other investments such as Mutual Funds and Stocks may grow in value or they may lose value.
- ***Can I spend the money in my RRSP before I retire?*** Yes, but you will have to pay tax on the amount withdrawn from your RRSP. Although there are a few exceptions to this rule. You will not have to pay taxes on the amount if you use the money to:
 - ***Buy your first home.*** You can use up to \$20,000 from your RRSP for a down payment on your first home.

- **Pay for education.** You can use some of the money in your RRSP to help you or your spouse go to school. There are rules about how much you can take out each year.

NOTE: If you borrow money from your RRSP for a home or education, you will have to pay it back, but you will have a number of years to do so.

Registered Education Savings Plan (RESP)

A Registered Education Savings Plan (RESP) is an account that will help you (or your child) save for post-secondary education.

RESP details:

- There are three basic types of RESPs: individual plans, family plans, and group plans.
- Savings will grow tax-free until the beneficiary enrolls at an educational institute.
- In addition to the interest you earn on your investment, you also receive yearly contributions from the Canadian Education Savings Grant and you may be eligible for the Canada Learning Bond.

For more information on RESPs, check out the resource section at the back of this guide or ask your financial adviser.

Saving for Your Child's Education?

Try applying for student grants from the Government of Canada. There are many different grants for low- or middle-income families, persons with disabilities, students with dependents and part-time students. For more information visit www.canada.ca.

Tax Free Savings Account (TFSA)

A Tax Free Savings Account is a registered, general-purpose savings account that allows Canadians to earn tax-free investment income to help meet their lifetime savings needs.

TFSA details:

- Canadian residents age 18 or older can contribute up to \$5,500 annually.
- Investment income earned is tax-free.
- Withdrawals are tax-free.
- Offers a wide range of investment options such as mutual funds, Guaranteed Investment Certificates (GICs) and bonds.
- Unused TFSA contribution room is carried forward and accumulates in future years.
- Funds can also be given to a spouse or common-law partner for them to invest in their TFSA.

For more information on the Tax Free Savings Account, visit cra-arc.gc.ca/tfsa/ or ask your financial adviser.

Preparing for Your Future

- ***Save for a rainy day.*** If possible, try to bank anywhere from three to six months worth of expenses in the event you become unemployed or encounter a large unexpected expense, for example, car repairs or an illness or death in your family. If this isn't possible, consider taking out a line of credit for emergency situations.
- ***Get insured.*** Make sure you have some form of life insurance, especially if you're a single mom. This is essential for protecting your children's future.
- ***Create a will and keep it up to date.*** No matter what age you're at, it's never too early to have your last will and testament written up. In the event something happens to you, and you don't have a will in place, the government will be responsible for dividing your estate.



I've seen both sides of money – from stability to instability and back again.

Before marrying, I saved up and bought my first house, one of the best financial decisions I ever made. After a few years, I married, had four beautiful kids, and then sadly, illness struck our family. My husband had a brain aneurism and had to be removed from our home for our safety. Due to bad memories and financial duress, I put my house up for sale, but the profit was only just enough to pay off our debt.

I was a penniless mother with four children, so I did what I could to maintain a semi-normal life, despite enormous hardship.

I rented a garden for \$15 each summer to grow food. We only had heat and hot water in the winter when it was illegal for the gas company to turn it off. I took the kids to public pools so they could bathe. We found grants and bursaries to pay for my son's education. He and I combined our funds and eventually, with the help of a co-signer, made a down payment on a new house.

Looking back, even when I had little to no money, I budgeted. It was a record to see where money was going and how I could change spending to better utilize it.

After everything I've been through, I've found that talking openly has helped me learn more about money. You need money in this world, so conversation and education are key to keeping more of your money and being able to enjoy life without worrying about it.



Laurie

How to Choose a Financial Adviser

Credit: Canadian Securities Administrators

Managing your finances can be complicated and occasionally overwhelming. Thankfully there are experts available to help. Regardless of your income, debt, or assets, talking to a financial adviser will reduce the stress of managing your finances, and help you make the most of your money.

What is a financial adviser? A financial adviser is a professional who can help you set and work toward your financial goals, choose suitable investments, set a savings plan, track your progress, and help you make necessary adjustments along the way.

Before you choose a financial adviser, it's important to talk with a few prospects. Here are some questions to ask:

1. Are you registered?

Before you begin working with a financial professional who is giving you advice or selling you investment products, it is extremely important for you to make sure they are registered to do business in Manitoba. Registration protects investors and is only granted to firms and individuals who are properly qualified. You can look this up easily on The Manitoba Securities Commission website at www.mbsecurities.ca or by phoning 1 (800) 655-5244.

Note: An individual who offers general information or information to a group may not be required to be registered with the Commission.

2. What is your background?

Ask questions like:

- What are your educational and professional qualifications?
- How long has your firm been in business?
- How long have you been with the firm?
- How long have you worked in the industry?
- What professional associations do you belong to?

The financial plan and help I was given by my bank was invaluable. The financial adviser worked my loan payments into a budget, which allowed me to live a normal life and even travel.

Luisa

3. How will you be paid?

Financial advisers make a profit through a salary, commission, a flat fee or a combination of these methods. If an adviser is paid by salary, the cost of their advice is built into the products you buy. Many advisers are paid a commission for every product they sell. Other advisers charge a flat fee based on an hourly rate or a percentage of the assets in your account. Find out how the adviser is paid, how much their services are going to cost you and what services you'll get for your money.

4. Exactly how much will it cost me?

Understanding exactly how much you'll be paying for financial advice can be tricky since there are such a wide variety of fees (fees that are built in to the investment, such as annual management fees, hourly fees, etc.). Many fees are negotiable and vary depending on whom you're working with. It's your job to understand all of the fees you'll be paying and know exactly what you're getting in return. Don't hesitate to ask questions, and even inquire about receiving free financial advice. Many financial institutions and employee benefit plans offer services at no upfront cost to you. For a list of different types of fees, flip to page 45.

5. What types of products and services do you offer?

Not all advisers offer the same products and services or have the same expertise. Some are specialized, while others offer a wide range of investments and services. If you're an experienced investor, you might want an adviser who offers a wide range of products and lets you choose. If you feel that you do not have much experience with investing, you may be more comfortable with more guidance and advice.

6. *Who are your clients?*

It helps if the adviser you choose has a good track record with clients similar to yourself – people with similar backgrounds and goals. Ask the adviser to describe their typical client. Also ask for references from clients who have been working with the adviser for a while.

7. *What level and style of service can I expect from you?*

To make sure the adviser's approach and level of service will match your priorities and goals, ask questions like:

- What is your approach/philosophy to investing? How often will we meet to review my financial plan?
- How will you update me on the performance of my investments?
- How quickly will my phone calls and emails be returned? Will they be returned by you or by support staff?

8. *How will you help me reach my goals?*

An adviser should ask basic financial questions that will help them to get to know you as a client. For example, they should ask you about your financial situation, investment objectives, knowledge, experience, and your risk tolerance. This information should be kept on file and a copy provided to you. A lot of this will be personal information, but it helps the adviser make the best recommendations for you. You should also let your adviser know whenever your personal or financial situation changes so they can update your file.

**For more information on how to choose
a financial adviser, visit mbsecurities.ca.**

I have been working with a financial adviser to make a savings plan and get my money to grow. Our ultimate goal is to get me into a home within the next two years.

Amanda



Your Responsibilities as a Client

Advisers appreciate clients who are clear and honest about their financial situation and expectations because it means they can give better advice. Remember, you are paying for this advice. Ultimately, you have to make the decisions and live with the results. Here are some things you can do to make the relationship with your adviser a productive one:

- ***Be prepared for each meeting.*** Treat each meeting with your adviser like a business meeting. Take some time before the meeting to review your investments and jot down what you want to discuss. Bring all relevant information, such as recent account statements and tax assessment forms.
- ***Ask questions and take notes.*** Make sure you understand the investments your adviser recommends and how they fit with your plan. If you don't understand something ask for clarification. Take notes of conversations you have with your adviser and what you agree to.
- ***Be informed.*** Read documents that you receive about investments you're considering. Learn as much as you can about the investment world through courses, books, newspapers, websites and other media.
- ***Stay on top of your investments.*** Review your transaction confirmations and account statements as soon as you get them. Make sure they reflect what you discussed and contact your adviser right away if there are any problems.
- ***Keep your adviser up to date.*** Tell your adviser when your personal or financial circumstances change. Major life changes such as marriage, the birth of a child, divorce or the death of your spouse can have a significant impact on your financial well-being.
- ***Keep a record of meetings with your adviser.*** This is very important as it ensures you are getting the information you need, and it helps alleviate misunderstandings that may arise in the future. Download the "When Your Adviser Calls: Take Notes!" note pad from www.mbsecurities.ca and use this each time you speak with your adviser.

Only 9% of women are likely to hold stocks
as an investment compared to 27% of men.





Growing up, my parents helped me learn the true value of money.

In the earlier stages of their relationship my parents either lived in Manitoba Housing or small rentals. I never knew how much money they made, but from our lifestyle I knew it was considerably less than my friends' parents. They were very strict with money and never approved of me going to a movie or to the mall just to shop for fun. This left me at home many nights sad and bitter that I didn't have the same lifestyle as my friends. On the other hand, a very positive memory I have is when my parents purchased their first home – they were literally crying they were so happy!

I'm now focused on saving and planning for my future rather than instant gratification.

After high school I tried university, but was drawn to the idea of a full-time job and saving for my first apartment. I now live on my own, completely independent, and do everything I can to save for a down payment on a home. I put \$200 each cheque into a tax free high-interest savings account and \$100 for my night university courses. I take the bus, only buy clothing if it's on sale, use coupons, and buy no-name groceries.

 Amanda _____

Investing

Investing is the use of money with the expectation of achieving a profit. You can begin investing at any time in your life, no matter how much money you have. Choosing the right investment will take a lot of research, and help from a registered financial adviser. To get you started, here are a few basic investment definitions:

<i>Cash Equivalents</i>	These are the “cash like” investments that can earn you interest, including savings bonds, treasury bills and guaranteed investment certificates (GICs). They are generally low-risk, give you quick access to your money, but have lower rates of return.
<i>Risk and Return</i>	Risk refers to the possibility of losing money on your investment. Return is the amount of money that you earn on an investment. In most cases, the higher the rate of return, the higher the risk.
<i>Bonds</i>	Buying a bond means you are lending your money to a government or company for a certain period of time. In return, they promise to pay you a fixed rate of interest and repay the face value at the end of the bond’s term. Bonds usually offer better rates of return than cash investments and are still relatively safe.
<i>Stocks</i>	When buying stocks or equities, you become a part owner in a business. There could be hundreds, or even thousands of other shareholders who will all receive profits the company allocates to its shareholders – called dividends. You can make money if the stock increases and if the company pays a dividend; however, there is no guarantee that either will occur. Stock value can go up or down, sometimes by a lot. They can provide higher returns than other investments, but there is also a much higher risk of losing some or all of your investment.
<i>Mutual Funds</i>	Mutual funds are a collection of investments from one or more categories; the level of risk and return depends on what the fund invests in. When you buy a mutual fund, you pool your money with many other investors. The advantages are that you can invest in a variety of investments for a relatively low cost and leave the investment decisions to a professional manager.

Financial Adviser Fee Terminology

Credit: BC Securities Commission

To help you understand the fees associated with investing and working with a financial adviser, here are a few more definitions. Some of the definitions might seem a bit complicated, but it is important for you to know and understand them. If you run into any questions, never hesitate to ask a professional.

<i>Management Fees</i>	Portfolio managers and many advisers charge a fee based on a percentage of the portfolio's value (around 1.5% – 3%). This fee is negotiated at the beginning of your adviser/client relationship and pays for the cost of managing your overall portfolio. In return, you receive recommendations and advice tailored to your investment goals.
<i>Brokerage Commissions</i>	These are fees charged per transaction based on buying and selling stocks and bonds. Commissions vary widely between brokerage firms. The risk with a commission-based account is that an unscrupulous adviser could trade more than is warranted to increase their income.
<i>Discount Broker Fees</i>	Discount brokers vary in the services they offer and the fees they charge. Generally, a basic fee per trade is charged, but additional fees may also be charged related to the number of trades, the size and the scope of the account.
<i>Fee For Service</i>	For fee-based accounts, the adviser may both charge a management fee and take a commission for individual transactions. For fee-only services, the adviser charges a set (often hourly) rate and does not collect commissions or referral fees. Fee-only advisers can avoid conflicts of interest and provide unbiased advice because they do not earn fees from the products they recommend.

<i>Management Expense Ratio (MER)</i>	Each mutual fund pays an annual fee to the manager for managing the fund. Each fund pays its own operating expenses, including legal, accounting, and management expenses. The MER is the total of the management fee and operating expenses expressed as a percentage of the fund's value. For example, if a \$100 million fund has \$2 million in annual expenses, its MER is 2%. The higher the MER, the more you indirectly pay for management and administration. MERs may be high because the fund manager actively researches, trades and manages the fund and there are high operating costs, such as legal fees. The higher the MER, the more the fund will have to earn in order for you to make money.
<i>Mutual Fund Trailer Fees</i>	The salesperson who sold you shares or units of a mutual fund often receives an annual commission from the fund manager, which the fund company pays out of the management fee you pay them, for as long as you own units of the fund. If the dealer is receiving this fee—usually from 0.25% – 1%—your adviser should provide you with ongoing services, including answering your questions about the fund's performance. Unusually high trailer fees may bias the advice you receive from the adviser. Ask your adviser directly if they will receive a trailer fee and how it compares to fees they receive from other funds.
<i>Sales Charges or Front-end Load Charges</i>	If you pay a fee when you buy the fund, it's called an initial sales charge or front-end load fee. Fees paid at the time of purchase are generally 0 – 4%. If you come across a fund with no sales charges of any kind, be sure to compare other expenses, such as the MER, which may show that the no fee fund is not a better deal.
<i>Back-end Load or Deferred Sales Charges</i>	Some mutual funds only charge you a fee when you sell, not when you buy. Fees paid at the time of redemption are generally 0 – 6%, depending on how long you have held the fund. Fund companies do not charge the fee if you hold the fund for the required number of years.

<i>Transaction Fees</i>	These are indirect fees that a mutual fund pays to a brokerage firm to execute its buy and sell orders. These fees are not included in the MER, but are subtracted before the fund's return is calculated.
<i>Short-term Trading Fees</i>	If you sell a fund within a certain period, normally around 90 days, the fund will likely charge you a fee. The purpose of this fee is to discourage investors from using mutual funds to make a quick profit by timing the market, and in the process decrease the value of the fund.
<i>Other Fees</i>	The fund may charge you a fee if you want to switch funds, start a registered plan, or open or close an account.





Illness had a huge effect on my personal finances.

At the end of my first year of university I was diagnosed with an illness that kept me in and out of treatment and hospitals for five years. I was still living at home and had taken a student loan to cover my tuition and supplies, but being sick meant that I was unable to work without having many interruptions.

In 1999, I had to take a year off of school so I applied for my student loan to go on interest relief status. When I was ready to go back to school, I found out the rep at my financial institution had failed to process my relief status application. My loan status had gone to collections. Thankfully I had kept record of absolutely everything, so Manitoba Student Aid granted me a new loan to complete my education. I transferred to a new bank where a financial adviser gave me a loan to pay off the debt in collections.

I got through it with the support of my family and great advice from my new bank.

By this time I was feeling better, working full-time, attending school and still living at home. I had also saved money, working a bit during my year off school. Looking back, I think the hassle could have been avoided if we had been more informed and we didn't have as much of a language barrier. My greatest advantage was my parent's support and the decision I made to live at home.

✍️ Luisa

Buying a Home

Buying a home is probably one of the biggest investments you will ever make. Whether you're purchasing it alone, or with someone else, there are a few important steps you should take to help the process go as smooth as possible:

- ***Real Estate Agents.*** If you choose to use a real estate agent, make sure they are registered to do business in Manitoba and you are aware of any disciplinary actions taken against them. Contact The Manitoba Securities Commission's Real Estate Division at (204) 945-2562.
- ***Review your finances.*** To know what you can realistically afford it's important to review your personal and household budgets, and meet with your financial institution.
- ***Do your homework.*** Learn as much as possible about buying a home so you can make an informed decision. Research online, talk with your family or consult with the appropriate real estate professionals (lawyer, real estate agent, mortgage broker, financial adviser etc.) to find out more about down payments, financing options, mortgage payments, interest versus principal, amortization periods, mortgage terms and types, fixed and variable interest rates, and payment frequency. For more information on mortgages and loans, visit the Financial Consumer Agency of Canada website www.fcac-acfc.gc.ca.



Debt Management

For most people, debt is the biggest, if not the only roadblock when it comes to gaining control of their money and working toward a happier financial future. Debt can feel overwhelming at times but there are many ways to manage it wisely.

Tips to help you get control of your debt:

- **Start with some research.** For tips on borrowing money, loan repayments, debt consolidation, reducing your credit card interest, and other great tools and calculators check out www.getsmarteraboutmoney.ca.
- **Meet with a professional.** If you prefer to speak with someone in person about your debt management, check out the licensed debt management program offered by the Community Financial Counselling Services of Manitoba. Visit www.debthelpmanitoba.com for more information.

The Difference Between Men and Women (Statistically Speaking)

- Women typically earn 25% less than men.
- Women tend to head more single-parent households than men.
- Women tend to be out of the workforce longer than men and will have lower pensions.
- 43% of women over the age of 65 live in poverty, compared to only 20% of men.
- Women in Manitoba have an average life expectancy of 81 years, compared to 76 years for males.



Your Income Taxes


by Evelyn Jacks, The Knowledge Bureau

Your income tax return is the most important financial document of the year – and not just because it usually means a bit of a tax refund. Filing your tax return is important for many different reasons.

Filing a tax return is required in order to:

- Create room to invest in a TFSA (if you are over 18 years of age).
- Apply for refundable credits like the federal Working Income Tax Benefit, GST Credit, and several provincial provisions.
- Become eligible for the Child Tax Benefit and Universal Child Care Benefits.
- Claim tuition, education, and textbook credits, or to transfer them to your supporting parent, spouse or grandparent.
- Maximize your retirement savings as well as your opportunity to tap into the Homebuyer's Plan or Lifelong Learning Plan by creating Registered Retirement Savings Plan (RRSP) room.
- Access the Old Age Security and Canada Pension Plan (CPP) benefits and lucrative deductions like child care expenses, moving expenses and medical/disability claims.

To find out more about your tax filing rights or to take a course on bookkeeping, taxes or retirement planning visit www.knowledgebureau.com or call them at (204) 953-4769.

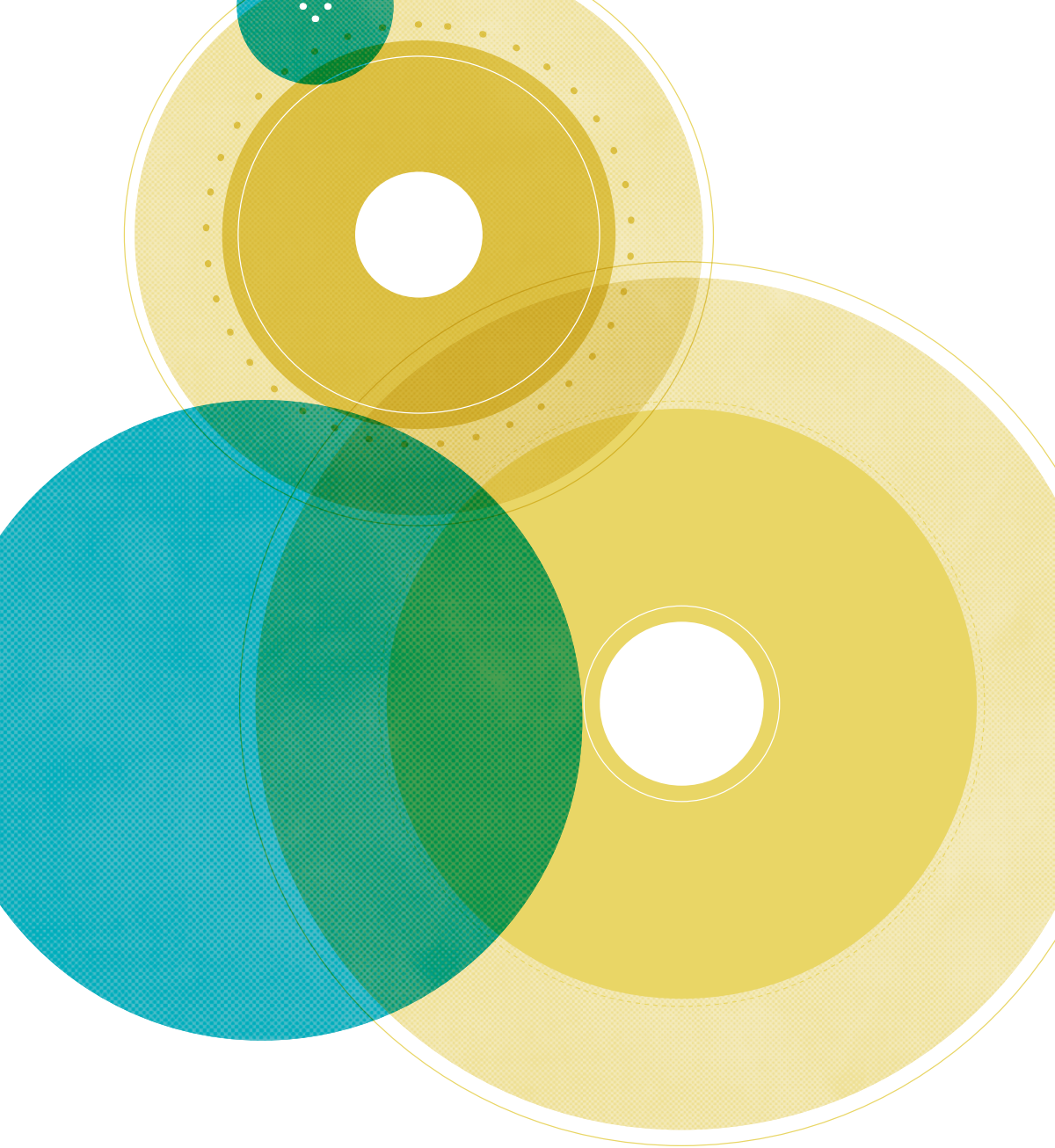


Protecting Yourself From Frauds and Scams

There are many different types of frauds and scams. They can happen online, through email, by telephone, or in person. Scams such as identity theft, job scams and investment fraud occur in big cities and even small towns. Most scams share common red flags, which may not be easy to spot. You should always be on your guard and protect yourself from falling victim and losing your hard-earned dollars.

Before you invest any amount of money, or give out your personal information ask yourself:

- ***Was I promised a high return on a low-risk investment?*** One of the first rules of investing is that higher return equals higher risk. In other words, the more money you can potentially make on an investment, the higher the risk of losing some or all of your investment.
- ***Did I have enough time to make a decision?*** You should never feel pressured into buying an investment on the spot. If you hear things like “act fast,” “one-time opportunity,” or “buy now before it’s too late,” the person you’re talking to likely has something to hide.
- ***Was I given confidential or “inside” information?*** A scam artist may claim to have information that nobody else knows. You have no way of knowing if this “inside” information is true, and even if it is, trading on inside information is illegal in Canada.
- ***Do I understand how the investment works?*** A scam artist will use lots of “lingo” to make it seem like they are offering a legitimate investment. If you find it difficult to understand how the investment works, and how you can make money or a return on your investment, there is likely a problem. Ask questions, and if they remain unanswered, walk away.
- ***Can I verify the investment with a credible source?*** If you receive an unsolicited investment opportunity, get a second opinion from your registered financial adviser, lawyer or accountant.
- ***Is the person who contacted me registered?*** Anyone who tries to sell you an investment or give you investment advice must be registered unless they have an exemption. You can contact your local securities regulator to check if someone is registered.



Money *and* Relationships

Your Partner – Before Marriage and Beyond

You've probably heard it before: conversation is the key to a healthy relationship. Whether you're dating, cohabiting with someone, common-law, or married, being transparent about finances with your partner is the best way to avoid arguments and work together for a secure and less worrisome future.

Money Tips for a Healthy Relationship:

- Discuss your financial roadmap with your partner and ask your partner to create one too. Comparing notes will help you to better understand each other's financial motivations.
- Discuss any debts, financial obligations such as child support, investments, purchases, or savings that you both have.
- Discuss your thoughts and behaviours about managing debt, credit, spending habits, financial decisions, and financial goals. This will help you to understand each other's values.
- Don't abandon your own personal values.
- Make decisions based on what's right for you.
- Make sure you and your partner continue to discuss money throughout your relationship.

I think talking about money openly with family and friends is very important, but needs to be executed with care. People are funny about money.

Vanessa

Prenuptial or Common-Law Agreements – Why and When?

A ***prenuptial agreement*** is not just something for the wealthy. Statistics show that 50% of marriages end in divorce, so a prenuptial agreement is something that may help ease potential legal difficulty and help protect the assets that you have worked hard to accumulate. You might want to consider a prenuptial agreement if:

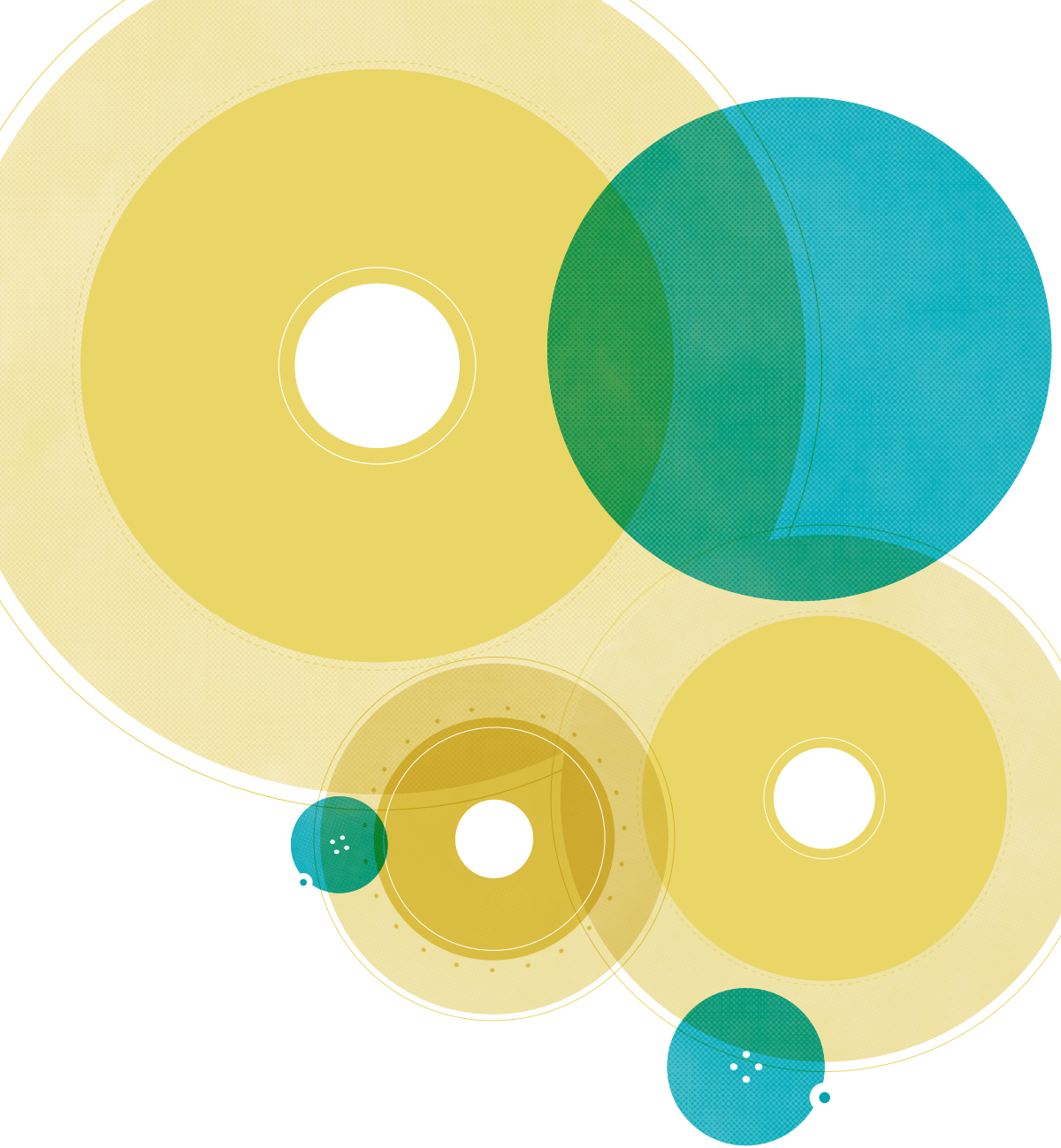
- There is the possibility that you will receive an inheritance in the future.
- You or your partner own a business.
- Your partner is paying child support.
- You have children from a previous relationship and want to ensure they are taken care of.
- You want to protect your own assets such as your home, investments, or retirement fund.

Common-law is a legal relationship status that can apply to both same-sex and different-sex unmarried couples in Manitoba. It's very important to be aware of this, since there are financial obligations and property rights that kick in automatically after a certain time period of living with your partner. For more information, check the Manitoba Government website www.gov.mb.ca.

Life Insurance and a Valid Will and Testament

It is important to consider the financial situation you will leave behind in the event of your death. Life insurance and a valid will and testament are two things that have the potential to greatly affect your partner and the people in your life.

The need for both will depend greatly on your personal situation – whether you're single, married, in a common-law relationship and whether or not you have assets or dependents. To determine what is right for you, contact an insurance or legal professional.





In my early childhood, money was never an issue...but when I was 11 years old, my father passed away from cancer and my sister and I suddenly had to help out because our family income had been sliced by 80%. Ever since my father passed away, I have had a distinct memory of my mother asleep on her desk, surrounded by bills. We were being sued for the mortgage on our house due to an underwriting problem with my dad's life insurance.

We ended up winning the court battle, though the life insurance policy wasn't enough to cover our expenses. My mother took up two more jobs and used her widow's pension to buy a prime life insurance policy on herself. She also took out two small insurance policies on myself and my sister despite the disagreement this caused among our family as if it were "a jinx" on our lives. Bless her soul for taking out the insurance on me, because I'll never be able to get any more.

Five years later my mother remarried and thanks to some smart investments we were much better off. But that year I was diagnosed with cancer, completely unrelated to my father's. I was unable to function on my own let alone work, so I relied solely on my orphan pension. My mother cut back on her work significantly in order to take care of me, but thankfully we had her new husband's income to help ease the shortfall of her cutback.

When I was 18, I was finally in remission and anxious to move out. Working was a challenge – my energy was very low due to many after effects from my chemotherapy and I had very high medical and dental bills and a depleting number in my bank account. Under the guidance of my financial adviser I knew I needed to find a job with benefits to cover at least part of these bills. I took this advice, and now work full-time and also part-time on a few side-projects in the arts community.

It's now my mission to make smart investments the way my mother did in order to protect the family I might have one day. Due to my medical history and the fact that I can't get any more insurance, I have to be smart about my investments and planning for retirement. I've set goals to have my student loans and personal loans paid off before I'm 30. I have a TFSA that helps me achieve this, and I never miss a payment.

 Vanessa

Your Children

Teaching your children money management skills early will set them up for a responsible financial future.

Tips for Raising Money Smart Children:

- **Start early.** Good habits now mean great habits when they're adults.
- **Be a role model.** Lead by example to encourage your children's money management skills. If you're modelling responsible money management in front of your children, it's likely they will follow suit.
- **Discuss and involve.** As soon as they start to show an interest in money, talk to your children about where it comes from, how it's earned, and how to spend it wisely. This can be done while you're at the grocery store, bank, or gas station. Brainstorm with them to find ways to save money around the house – how to reduce energy and water costs, plan budget friendly meals, or even go through flyers together to find the best deals.
- **Allowance.** An allowance offers opportunities to teach your children the value of money and the importance of managing it.
- **Teach the difference between “want” and “need.”** Restrict buying your children frivolous things like junk food, video games and other “want” items. Limit these things to special occasions and only when it fits your financial plans.
- **Teach long-term saving.** Depending on your child's age, start up a piggy bank or open a savings account. Encourage them to save part of their allowance for “want” items. This will help them to develop lifelong saving habits.
- **Their first job.** After a certain age, introduce part-time work as an option for making some extra cash. A lemonade stand, babysitting service, or light yard work service are all great ways to introduce basic business concepts.
- **Protect.** Don't overwhelm your child with money troubles. There are things your children just don't need to be worrying about. Only share financial information that is age appropriate.
- **Get some guidance.** For helpful money management tips, activities and reference materials designed especially for parents and youth visit www.MakeitCountOnline.ca or www.mbsecurities.ca.

Know the Facts: Maternity Leave

Even if you're just *thinking* about having a child (your first or an addition to your growing family) it's important to plan and prepare for your finances and work situation during and after your pregnancy.

Know the facts about taking maternity leave from your job and if possible, try to save extra money for this time in your life. If you're self-employed there are also many maternal and parental benefits you can receive from the government. For more information visit www.canada.ca or for basic information about taking maternity leave, visit the Government of Manitoba website www.gov.mb.ca.

My parents didn't give me much information on money management. One thing that I intend to do differently with my children is to give them a weekly earned allowance, as opposed to giving them money when they ask for it, like my parents did. This will allow them to learn how to manage a regular "income."

Leslie



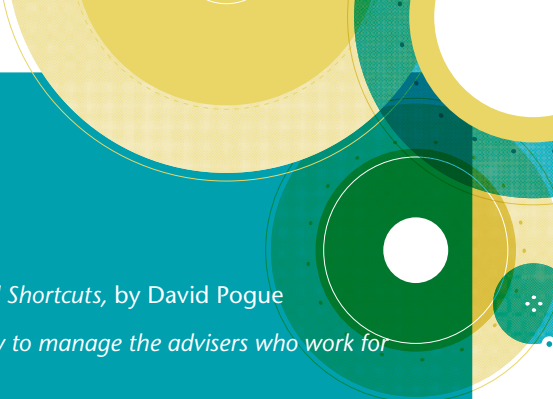
Helpful Resources

Download or order a print version of these free resources from The Manitoba Securities Commission website www.mbsecurities.ca:

- Investing basics: Getting Started
- Working With a Financial Adviser
- Understanding Mutual Funds
- Protect Your Money: Avoiding Frauds & Scams
- When Your Adviser Calls: Take Notes!
- Investments at a Glance
- Investing in Your Child's Future: The Basics of RESPs
- Investment Fraud on the Internet
- Investments 101
- Boiler Room Scams: Could You be Vulnerable?
- Make it Count: A Parent's Guide to Youth Money Management
- Make it Count: An Instructor's Guide to Youth Money Management

Find these helpful books at your local library:

- *Worth It: Your Life, Your Money, Your Terms*, by Amanda Steinberg
- *Smart Women Finish Rich*, by David Bach
- *Nice Girls Don't Get Rich*, by Lois P. Frankel
- *Personal Finance for Canadians for Dummies*, by Eric Tyson and Tony Martin
- *The Debt-Free Lifestyle, A Strategy for the Average Canadian*, by Christine Conway
- *Mindful Money*, by Jonathan K. DeYoe

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- *Pogues's Basics: Money Essential Tips and Shortcuts*, by David Pogue
 - *MASTER Your Money Management – How to manage the advisers who work for you*, by Jim Ruta
 - *MASTER Your Real Wealth – How to live your life in financial security*, by Erika Penner
 - *Family Tax Essentials – How to maximize your after-tax returns*, by Evelyn Jacks
 - *MASTER Your Retirement – How to fulfill your dreams with peace of mind*, by Douglas V. Nelson

Recommended courses from Knowledge Bureau:

- Personal Tax Preparation
- Bookkeeping Services
- Retirement and Estate Planning
- Business Services
- Master Your Money Management
- Master Your Real Wealth
- Master Your Retirement
- Family Tax Essentials

For more information visit www.knowledgebureau.com or call (866) 953-4769.

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Thank you to the women who openly and honestly shared
their very personal stories for this project.



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