

Life after High School: Planning for your financial future

Easy as 3 – 4 – 5 – 6

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Certified Financial Planner

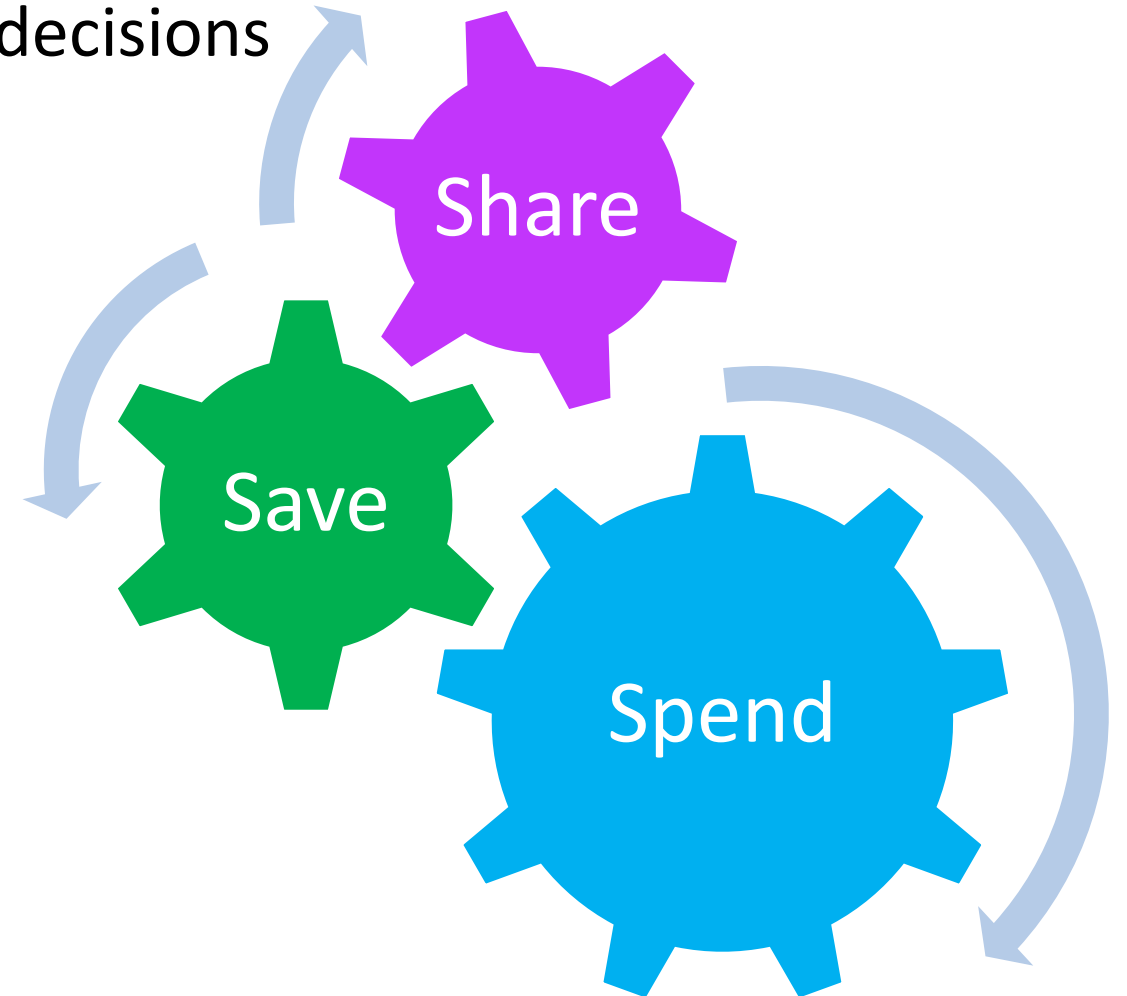
**FUTURE
VALUES**
Estate & Financial Planning

We will cover:

- 3 Financial concepts
- 4 Principles of financial success
- 5 Short-term uses of money
- 6 Long-term uses of money

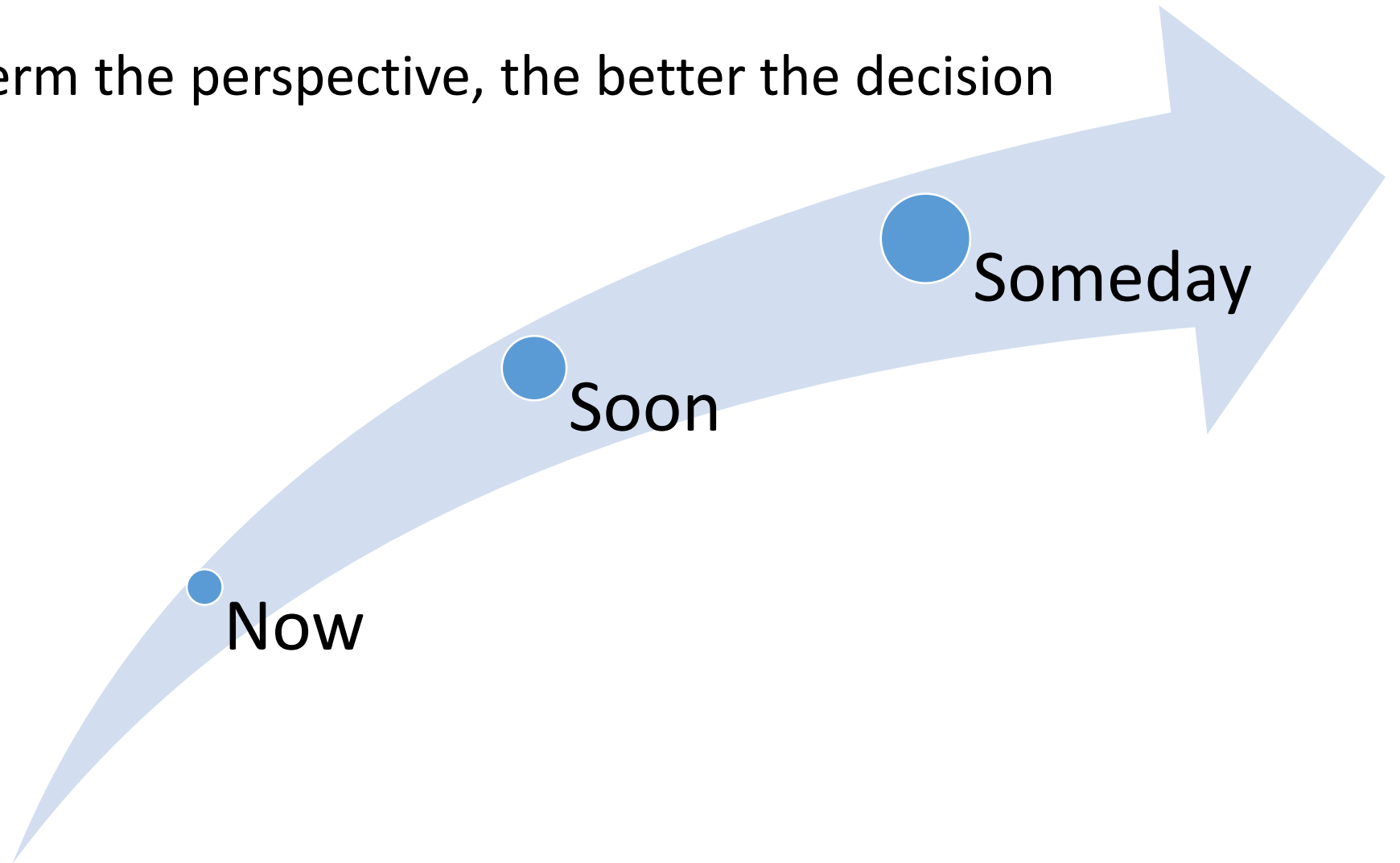
Financial concepts

1. There are no independent financial decisions



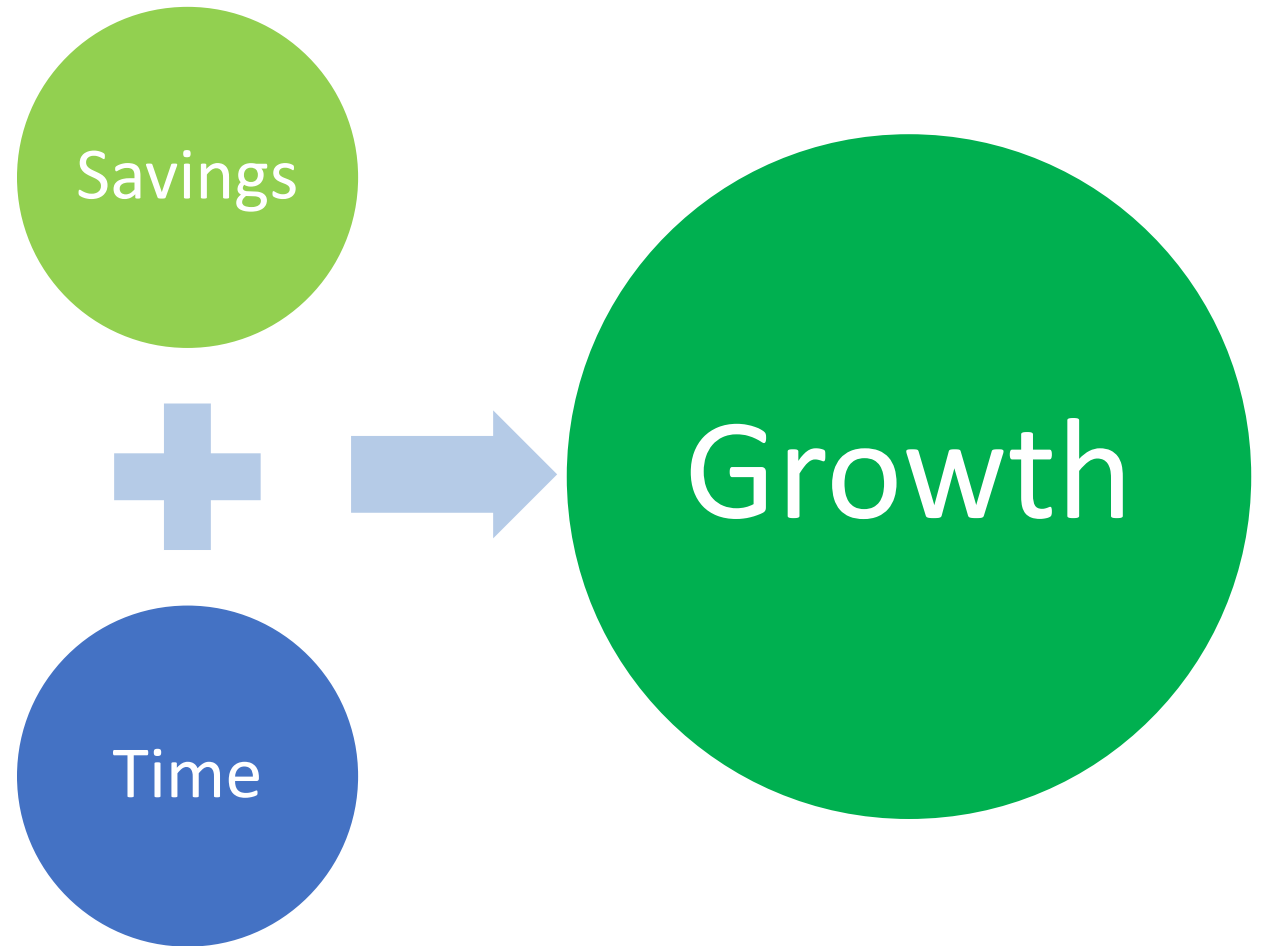
Financial concepts

2. The longer-term the perspective, the better the decision



Financial concepts

3. Financial maturity is being able to give up today's desires for future benefits

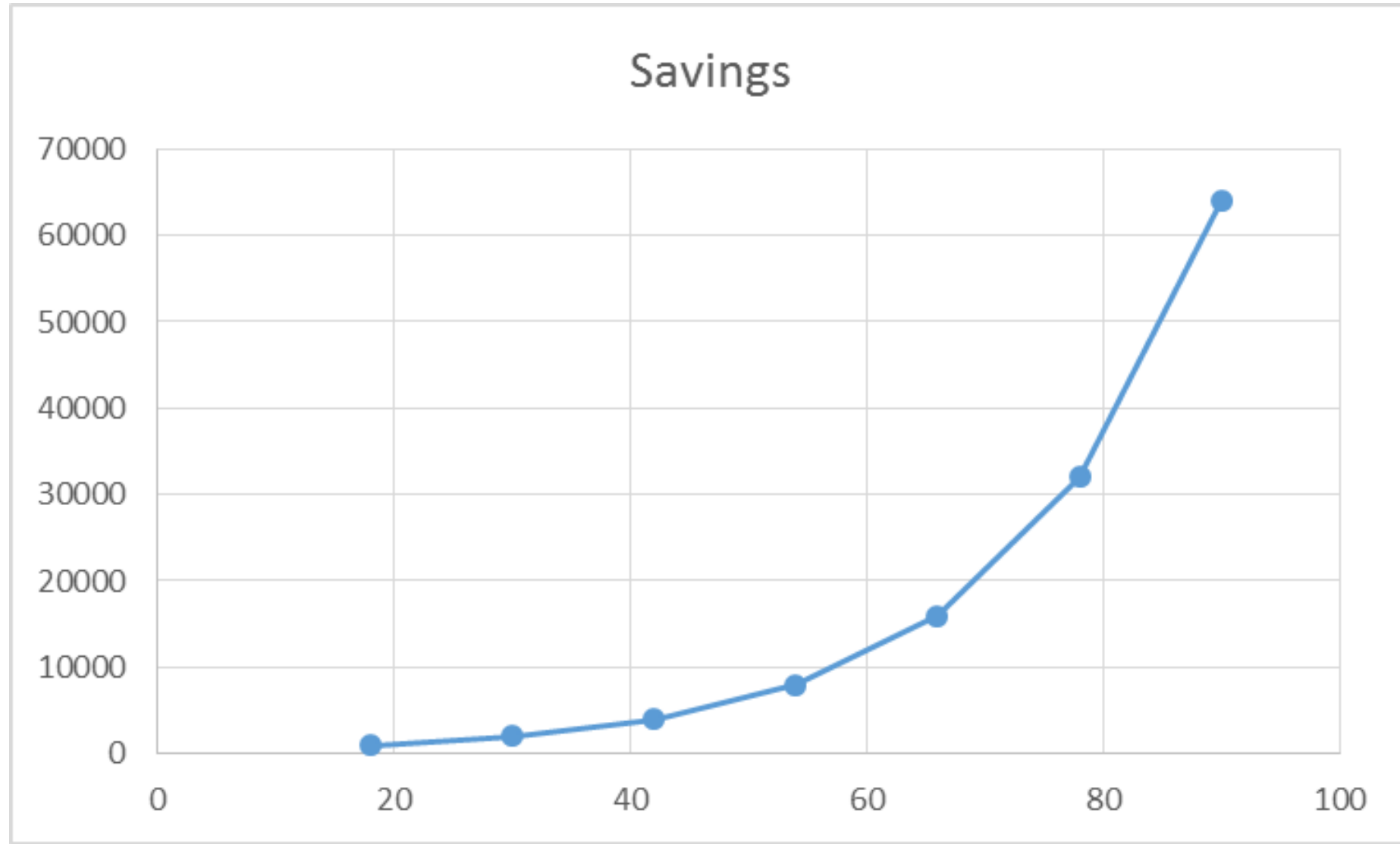


Rule of 72:

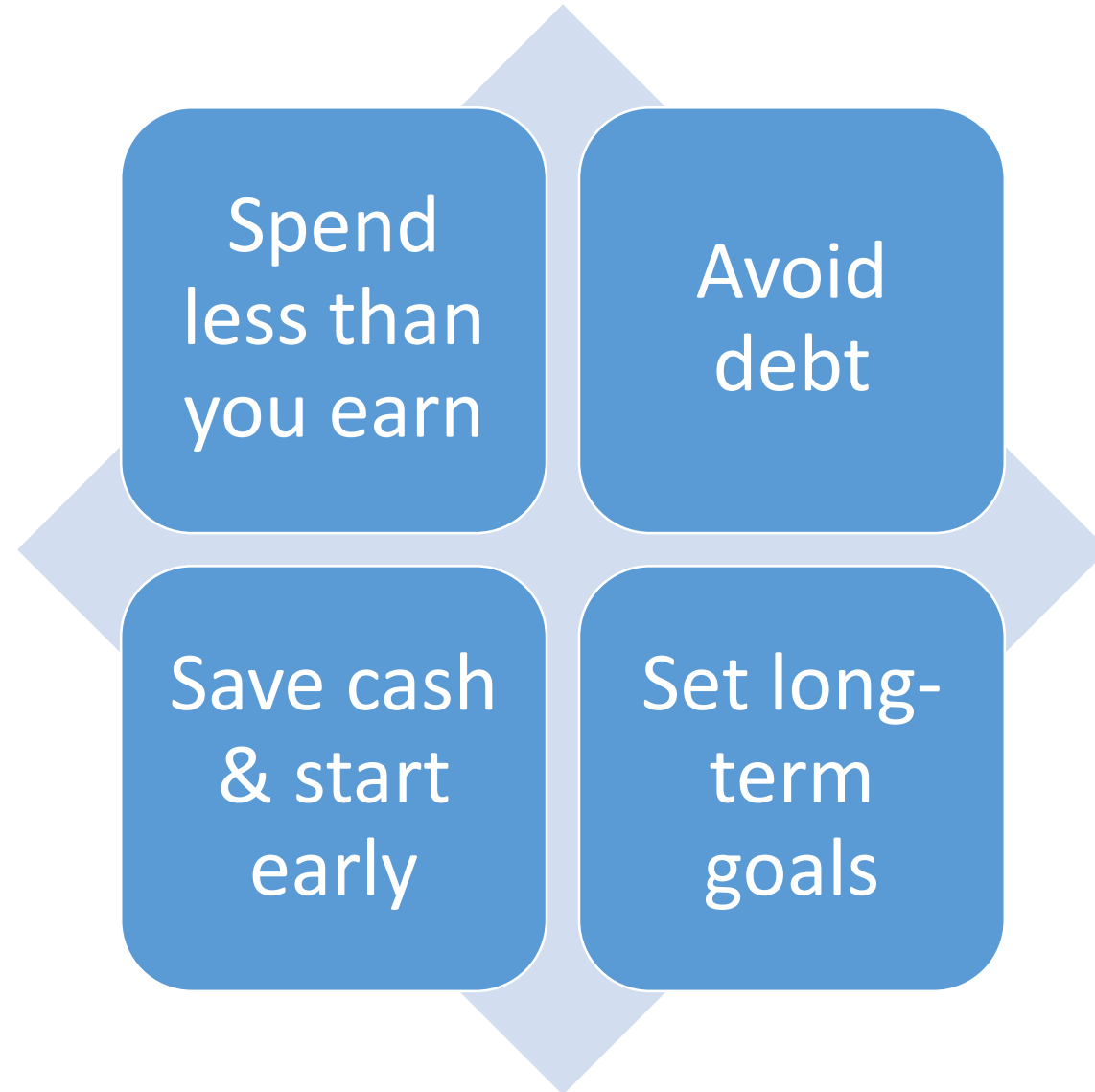
$72 \text{ (constant)} \div \text{interest rate} = \text{time for money to double}$

e.g. $72 \div 6\% = 12 \text{ years}$

- Age 18 : \$ 1,000
- Age 30 : \$ 2,000
- Age 42 : \$ 4,000
- Age 54 : \$ 8,000
- Age 66 : \$16,000
- Age 78 : \$32,000
- Age 90 : \$64,000



4 Principles for financial success



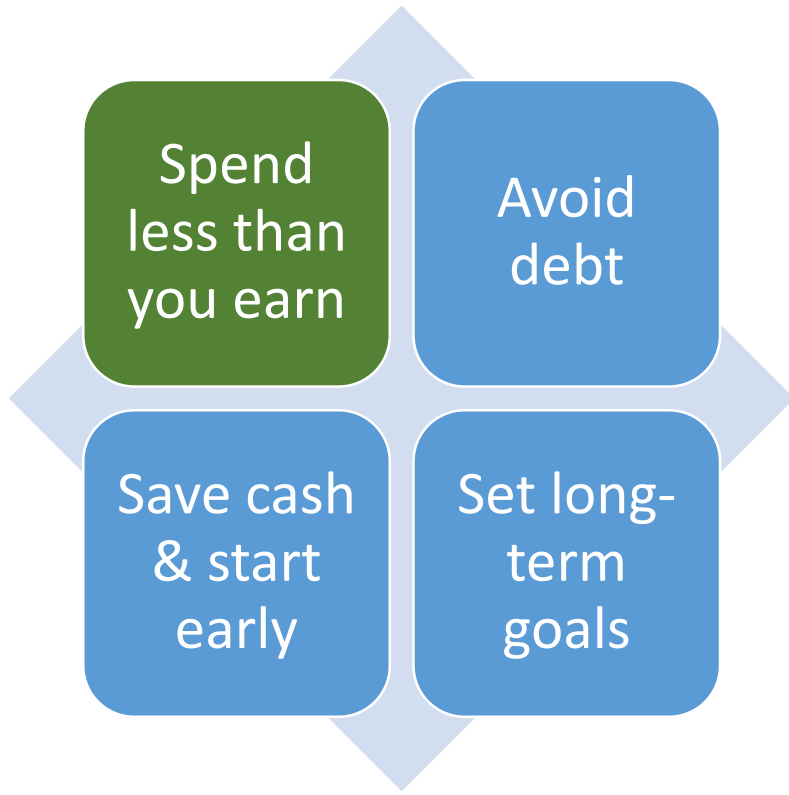
I got a job!



More Money will
Come your way

This week

IF YOU
~~Type AMEN and SHARE~~
Worked
Last week



INCOME \geq EXPENSES

Develop a budget

Income




- <Taxes>
 - <CPP & EI>
 - <Group Benefits>
 - <Retirement Savings>
- = Net Income

Expenses:

- Housing
- Transportation
- Insurance
- Savings
- Daily Living

\$15 per hour, full-time (40 hours per week)

| | |
|---|-----------------|
| Salary or wages income | 2,600.00 |
| Total cash income | 2,600.00 |
| Taxable income for the pay period | 2,600.00 |
| Pensionable earnings for the pay period | 2,600.00 |
| Insurable earnings for the pay period | 2,600.00 |
| Federal tax deduction | 206.34 |
| Provincial tax deduction | 88.59 |
| Total tax deductions | 294.93 |
| CPP deductions | 114.26 |
| EI deductions | 42.38 |
| Total deductions | 451.57 |
| Net amount | 2,148.43 |

   Government of Canada

Blue arrows indicate the flow of deductions: from the woman's portrait to the provincial tax deduction (88.59), from the man's portrait to the federal tax deduction (206.34), and from the Government of Canada logo to the EI deductions (42.38).

| | |
|----------------------|-------------------------------------|
| Mortgage | 0.00 |
| Cellphone | <input type="text" value="75.00"/> |
| Condo Fees | <input type="text" value="0.00"/> |
| Heat | <input type="text" value="100.00"/> |
| House Insurance | <input type="text" value="30.00"/> |
| Maintenance | <input type="text" value="0.00"/> |
| Phone/Internet/Cable | <input type="text" value="100.00"/> |
| Power/Hydro | <input type="text" value="100.00"/> |
| Property Tax | <input type="text" value="0.00"/> |
| Rent | <input type="text" value="500.00"/> |



TRANSPORTATION

Monthly Subtotal

\$571.00

| | |
|---------------------|--------|
| Gas | 200.00 |
| Maintenance/Repairs | 20.00 |
| Parking | 100.00 |
| Public Transit/Taxi | 101.00 |
| Tolls | 0.00 |
| Vehicle Insurance | 150.00 |
| Vehicle Lease | 0.00 |
| Vehicle Loan | 0.00 |



FINANCIAL OBLIGATIONS

Monthly Subtotal

\$100.00

| | |
|----------------------------|-------------------------------------|
| Debt Payments | 0.00 |
| Alimony | <input type="text" value="0.00"/> |
| Child Care | <input type="text" value="0.00"/> |
| Critical Illness Insurance | <input type="text" value="0.00"/> |
| Disability Insurance | <input type="text" value="0.00"/> |
| Emergency Savings | <input type="text" value="100.00"/> |
| Health Insurance | <input type="text" value="0.00"/> |
| Interest/Fees | <input type="text" value="0.00"/> |
| Investment | <input type="text" value="0.00"/> |
| Life Insurance | <input type="text" value="0.00"/> |
| Long Term Care Insurance | <input type="text" value="0.00"/> |
| RRSP | <input type="text" value="0.00"/> |
| TFSA | <input type="text" value="0.00"/> |
| Vacation Fund | <input type="text" value="0.00"/> |



| | |
|--------------------------|-------------------------------------|
| Cleaning | <input type="text" value="0.00"/> |
| Clothing | <input type="text" value="100.00"/> |
| Entertainment/Eating Out | <input type="text" value="100.00"/> |
| Fitness | <input type="text" value="50.00"/> |
| Gifts | <input type="text" value="50.00"/> |
| Groceries | <input type="text" value="250.00"/> |
| Hobbies | <input type="text" value="0.00"/> |
| Pets | <input type="text" value="0.00"/> |
| Travel | <input type="text" value="0.00"/> |



Add Expense

Develop a budget

Income

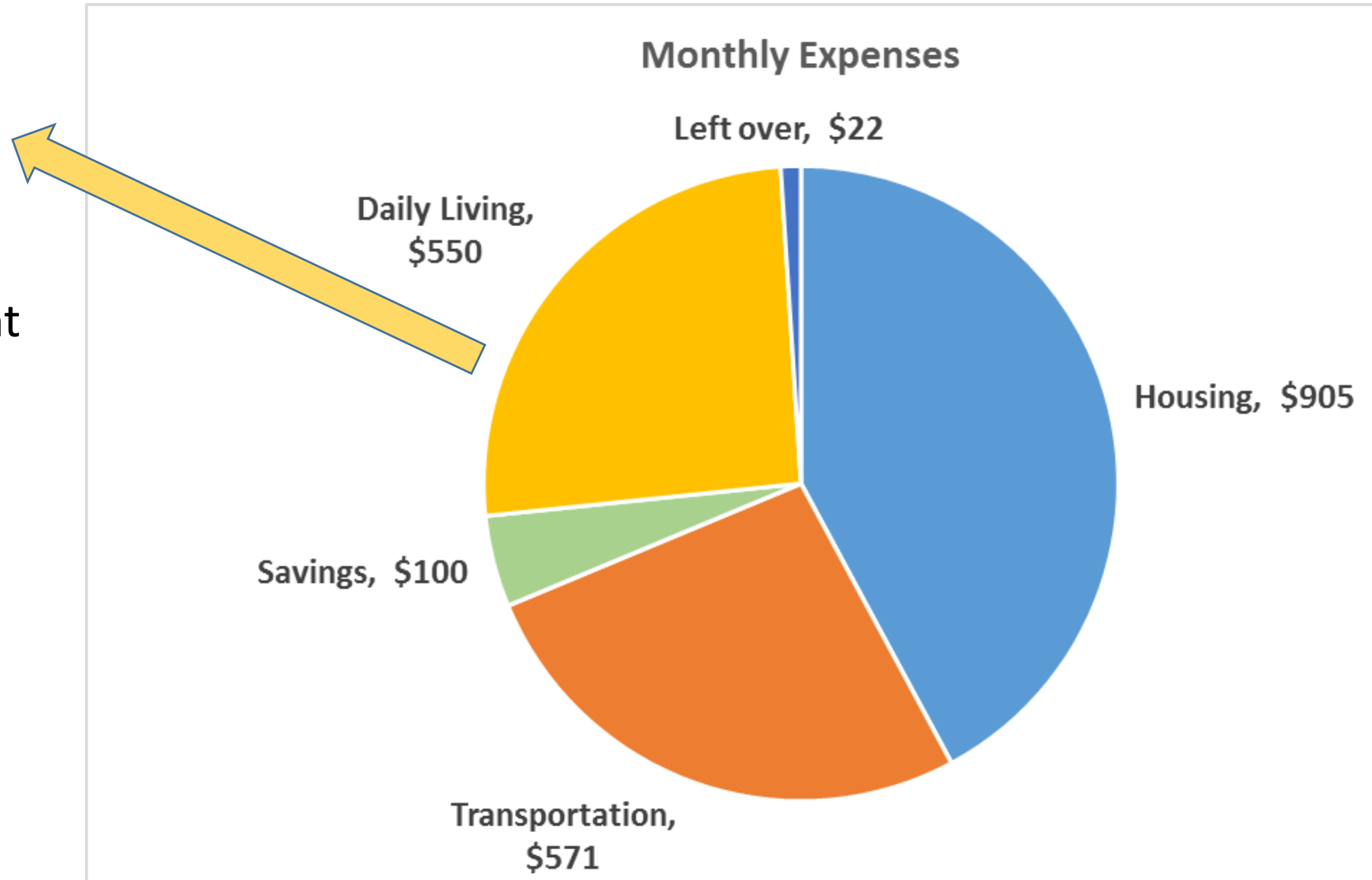
- <Taxes> \$2,600
 - <CPP & EI> \$451.57
 - <Group Benefits>
 - <Retirement Savings>
- = Net Income \$2,148.47

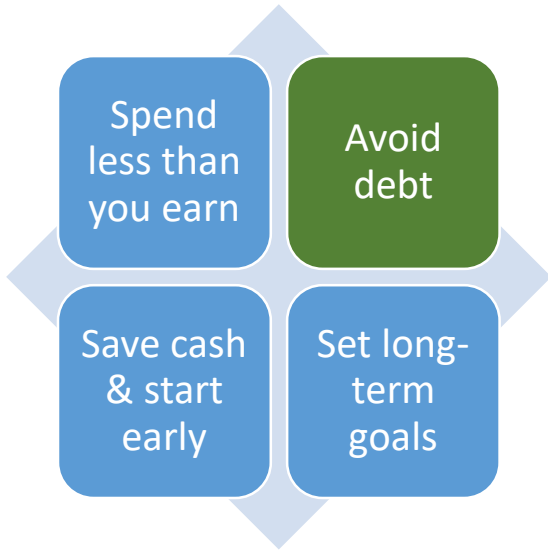
Expenses:

- Housing \$905
 - Transportation \$571
 - Insurance \$0
 - Savings \$100
 - Daily Living \$550
 - = \$2,126.00
-
- Remainder \$22.47

Target living allowance = 20% of take-home pay

- ~\$125/week
 - Groceries
 - Eating out
 - Entertainment
 - Clothing
 - Gifts
 - Fitness

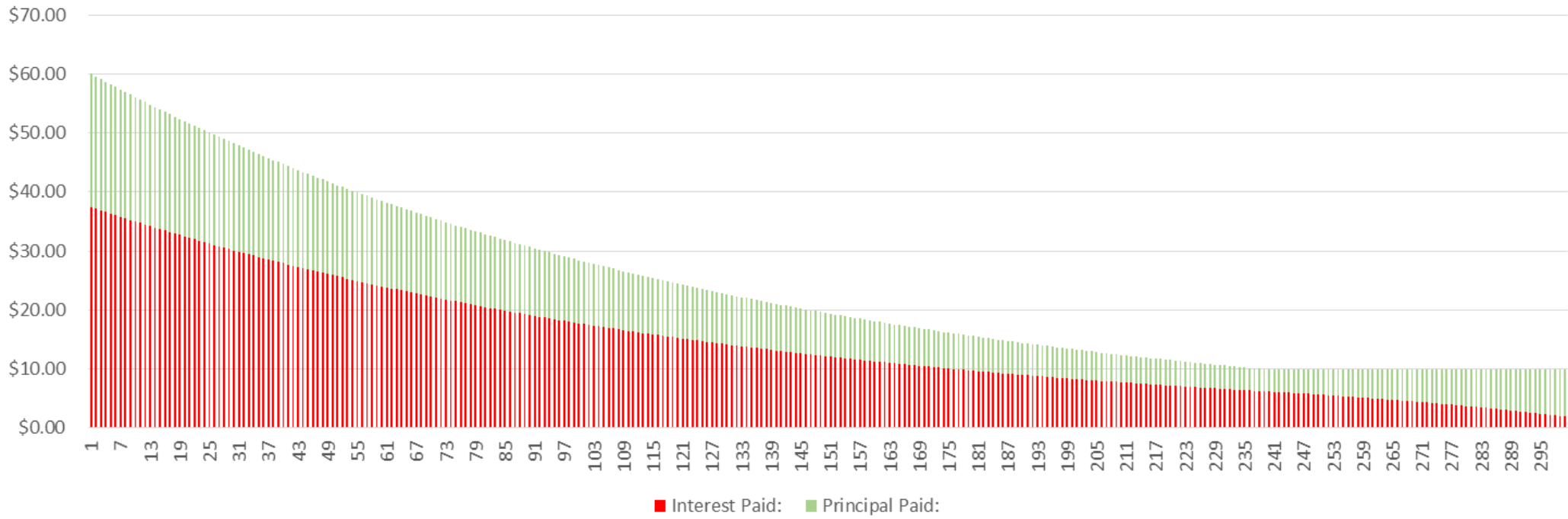




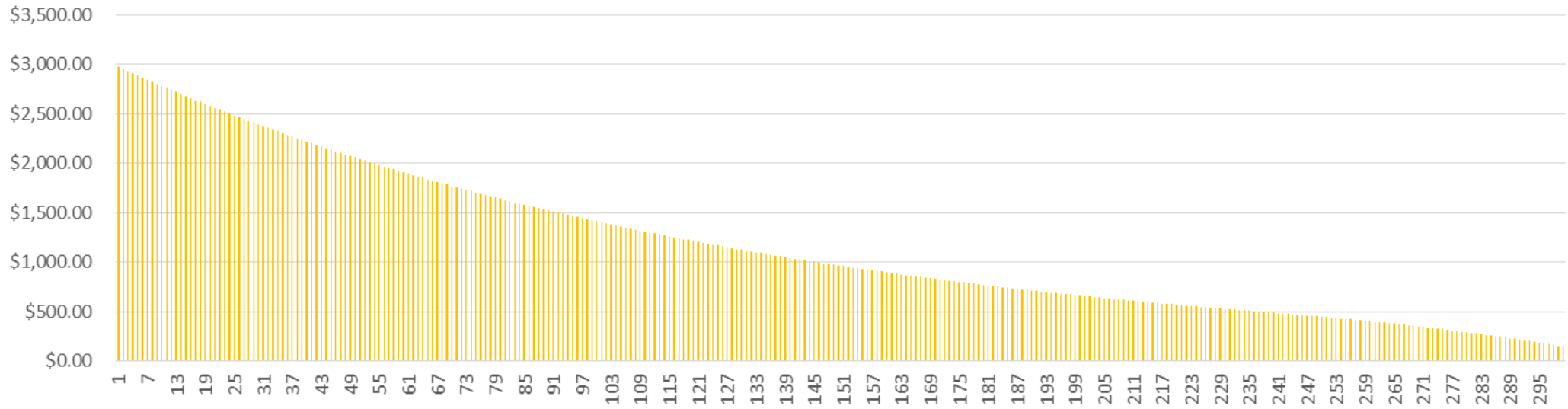
Hidden cost of debt

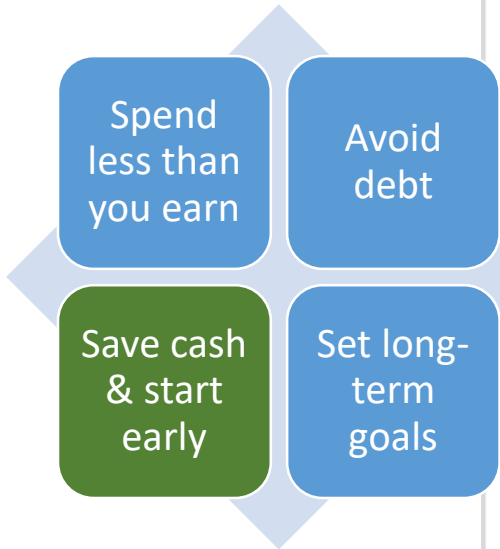
- \$3,000 credit card balance
- 14.99% interest rate
- Minimum payments: \$60/mo.
- Time to pay off card: over 15 years!
- Total interest: \$4,431
- Total cost: \$7,431

Credit Card Minimum Payments

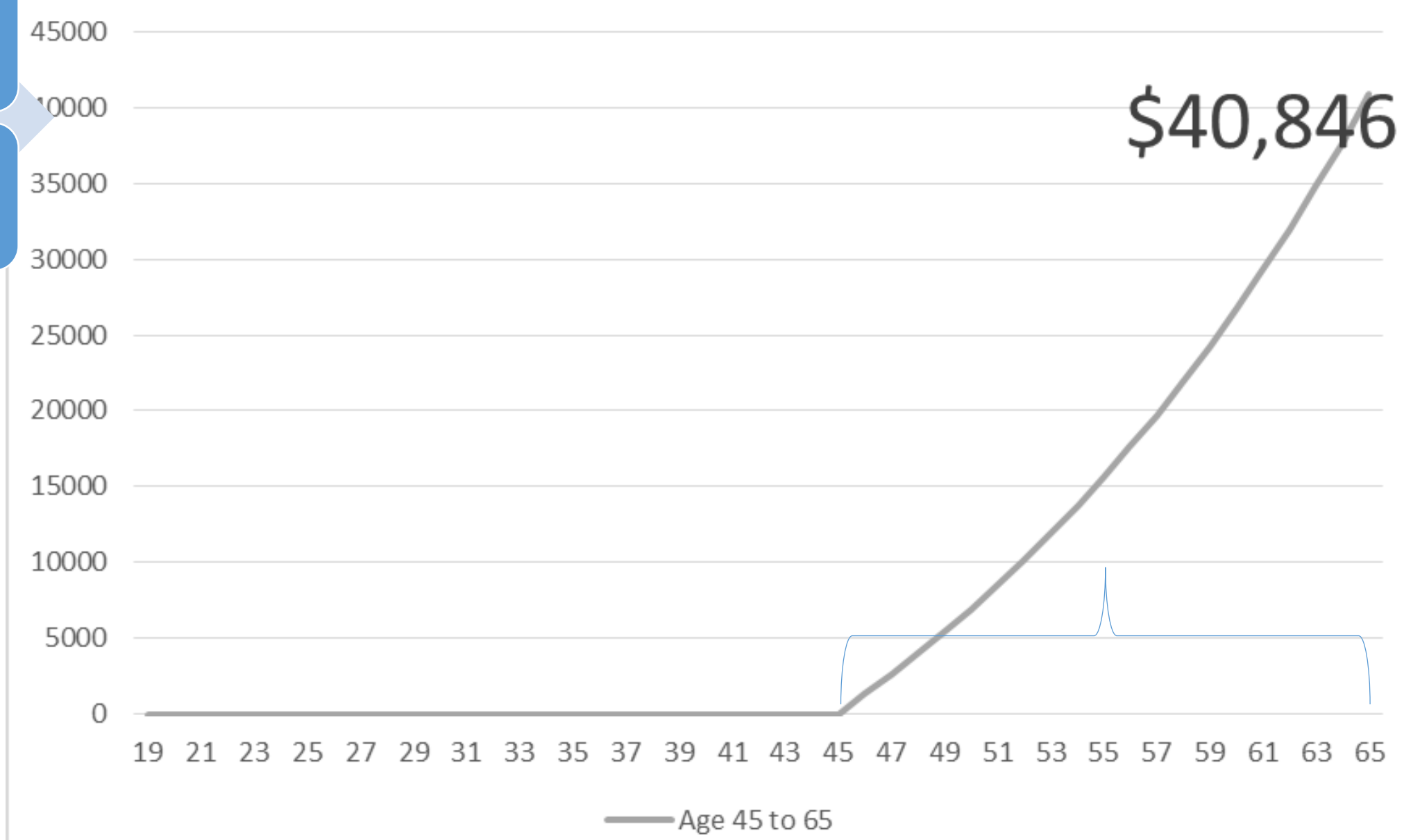


Credit Card Remaining Balance

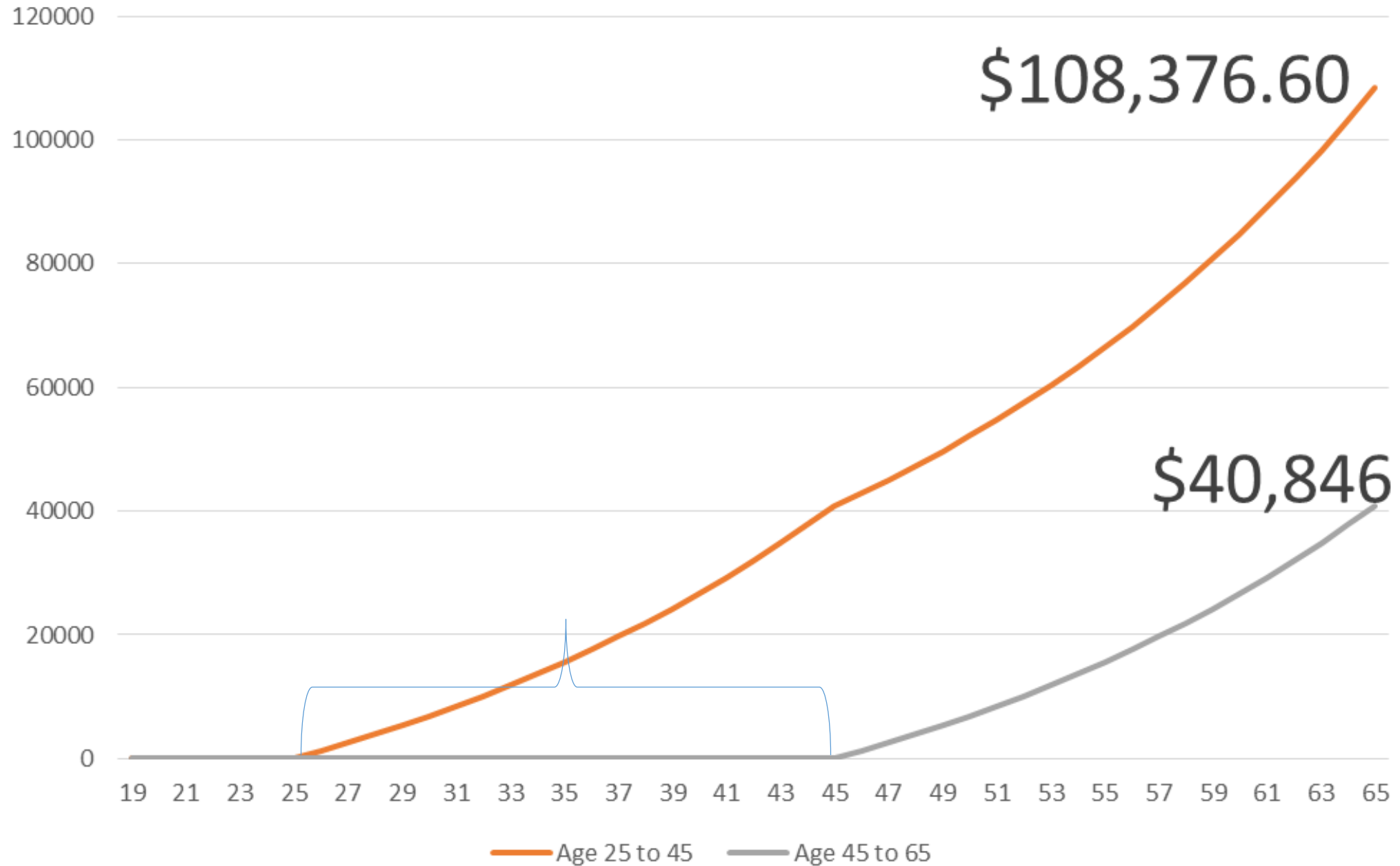




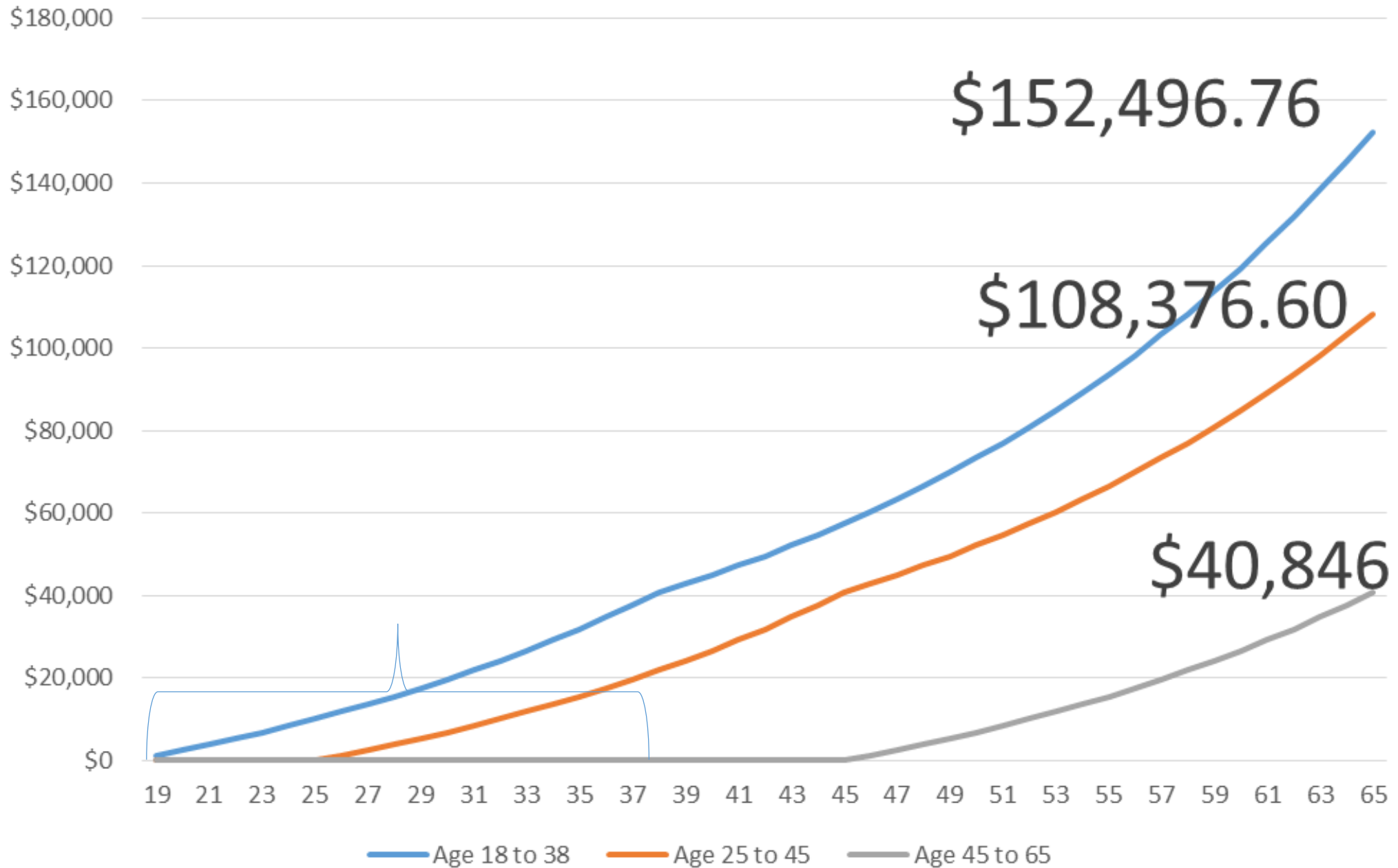
\$100/mo. saved for 20 years, at 5% interest rate



\$100/mo. saved for 20 years, at 5% interest rate

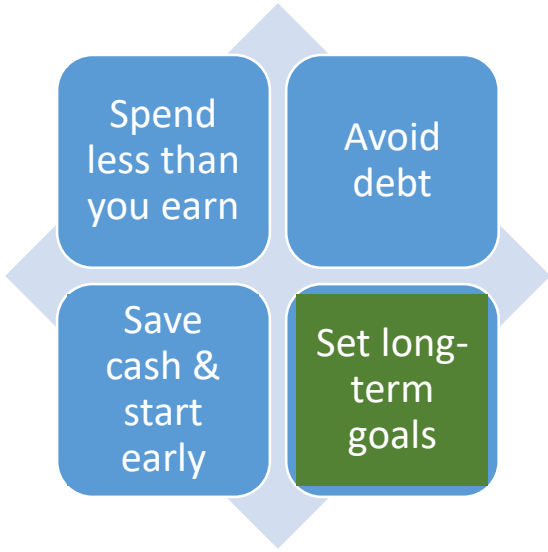


\$100/mo. saved for 20 years, at 5% interest rate



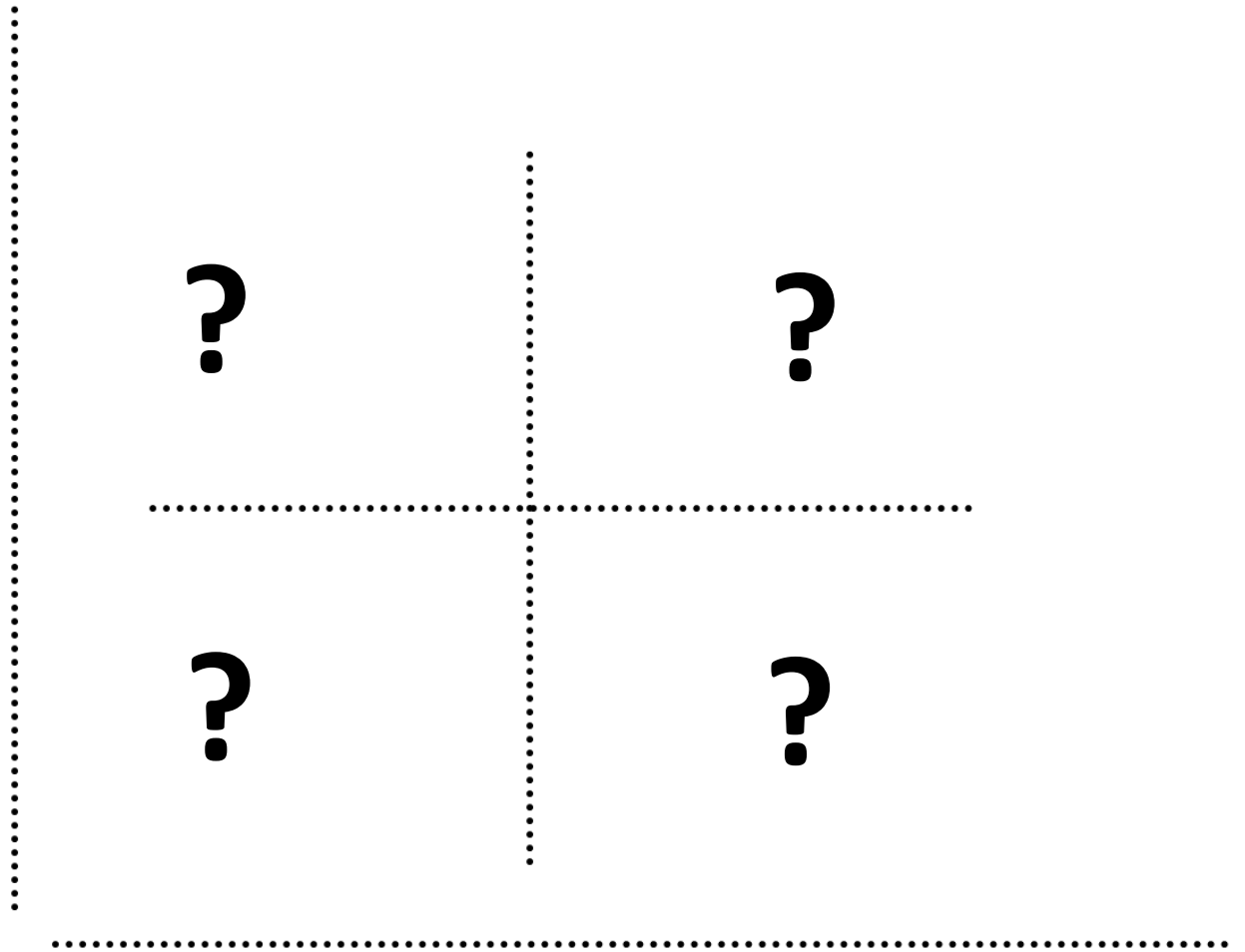


Video: Save early, save often: <https://youtu.be/LNXCO7MIC7Q>



Want to

Have to



Now

Later

STEP 1

What's your goal?

STEP 2

When do you want to complete the goal?

STEP 3

How much money must you save in total?

STEP 4

How much money should you save monthly?

STEP 5

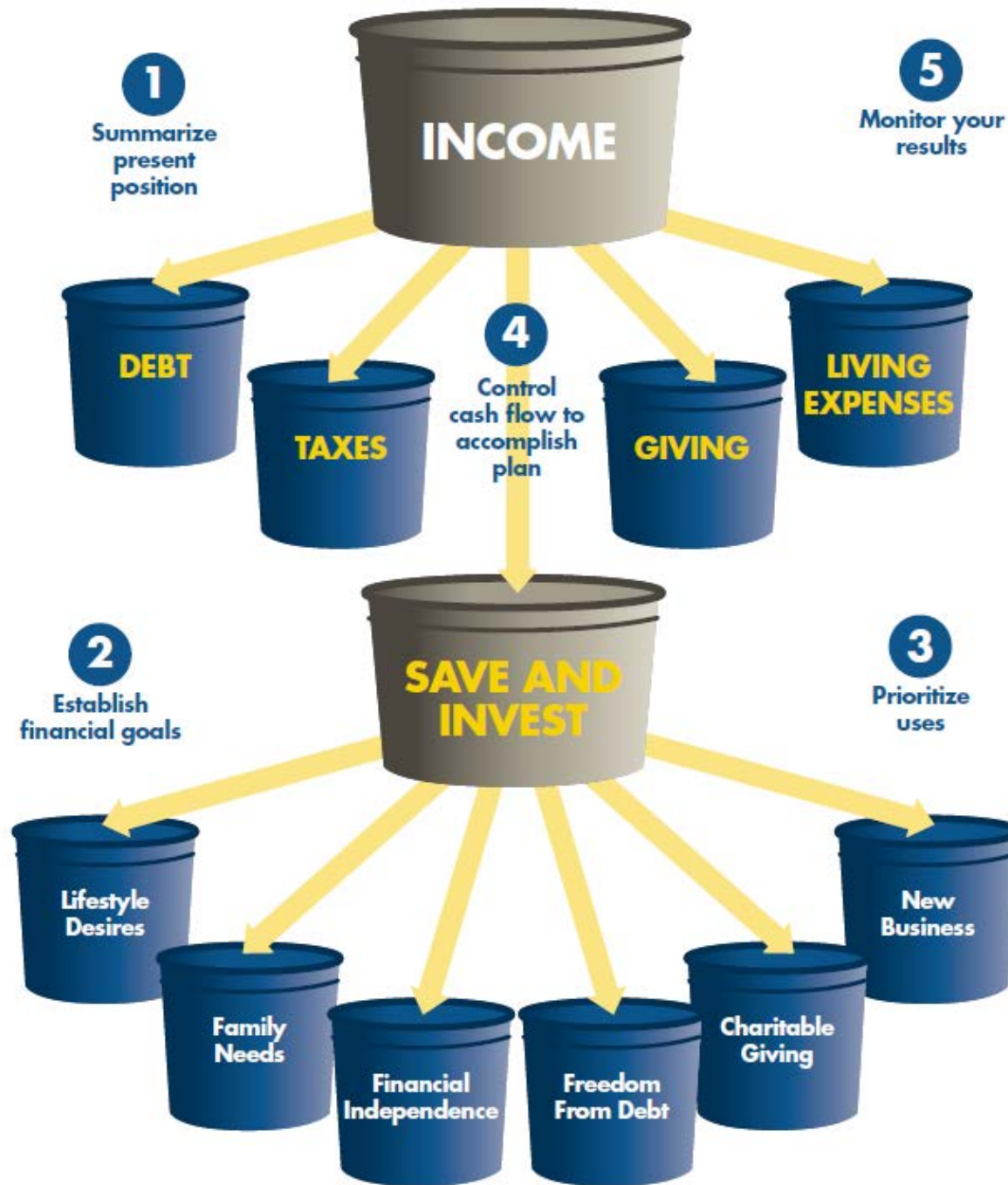
What steps can you take to reach your monthly savings goal?

STEP 6

What "wants" can you cut back on to reach your goal?

5 Short-term uses of money

6 Long-term uses of money



Homework: your own budget



In The Media



Blog/Articles



The Value of Advice



Client Testimonials



Financial Assessment Tools



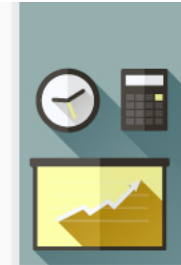
More info:

- [Practicalmoneyskills.ca](https://www.practicalmoneyskills.ca)
- <https://www.canada.ca/en/services/finance/tools.html>

Tools, calculators and educational programs

Tools to help you choose a bank account and credit card, including budget and mortgage calculators.

Follow: [!\[\]\(e78f798d4ea5c530c9db49e7d26e6b95_img.jpg\)](#) [!\[\]\(034433b90593e82e5460e34e3ed48e9b_img.jpg\)](#) [!\[\]\(5f24500834b50a8307ffe63e419281a9_img.jpg\)](#)



Services and information

[Budget calculator](#)

Find out where your money is going and determine how much you can put towards your goals.

[Mortgage calculator](#)

Calculate your mortgage payment schedule and how to save money by making prepayments.

[Financial goal calculator](#)

Calculate how to pay down your debt and reach your savings goals.

[Mortgage qualifier tool](#)

Find out if you can qualify for a mortgage based on the property you want, your income and your expenses.

FUTURE VALUES

Estate & Financial Planning

Values-Based Planning Process



Financial Management

- Core Values
- Money Personality
- Lifestyle planning
- Cash flow & Debt clearance
- Progress update process



Insurance & Risk Management

- Coordinating insurance planning
- Providing for surviving spouse and family
- Loss of income due to illness and long term care options
- Reducing personal or business risks
- Risk blind spots



Responsible Investing

- Understand your risk tolerance & investment philosophy
- Align Short-term, Medium-term & Long-term investment pools
- Portfolio construction, monitoring and implementation
- Ongoing portfolio planning, Progress updates & Determine rates of return



Sustainable Retirement Income

- Sustainable withdrawal rates
- Guaranteed Lifetime Income
- Tax efficiency withdrawal
- Phased retirement income for different life stages



Tax Efficiency

- Tax change updates
- Coordinating tax planning
- Maximize tax sheltering
- Tax efficient investment alternatives



Estate Distribution

- Maximize estate values
- Help minimize tax
- Help maximize wealth transfers
- Co-ordinated estate planning
- Inheritance planning
- Family discussions
- Charitable gift planning

FUTURE VALUES

Align Purpose With Your Finances

sterling@futurevalues.com