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# Trending News

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# Retirement Planning Tips for Women

Many women may have unique financial wealth needs, particularly when it comes to retirement. There are several reasons for this including the probability of women living several years longer than their male partners and the increasing rate of divorce over time<sup>1</sup>. For women who find themselves single or widowed in retirement, their income, financial responsibility and needs can all be impacted. Even when retiring as part of a couple, some women's needs may be more individualized and worth specialized attention. Here are some important points to consider.

## How women approach money

The TD Wealth Behavioural Finance Report (TD Study) was a quantitative study commissioned in 2017. Conducted online, it surveyed more than 1,600 affluent (>\$100,000 in investable assets) or emerging affluent (25-35 yo and >\$100,000 household income), Canadians in English and French. The TD Study indicated that there is a strong correlation between financial savings, financial literacy and risk tolerance. To put it simply, women who saved more money were more likely to take risks in their investments. They were also more likely to be well-educated, and those with a higher level of education typically demonstrated higher levels of financial literacy. That said, any individual can improve their financial literacy by learning more about personal finance and investing. It also helps to work with an advisor who understands your financial needs and goals. In fact, women who developed a wealth plan with an advisor demonstrated

<sup>1</sup> <https://www150.statcan.gc.ca/n1/pub/82-003-x/2018004/article/54950-eng.htm>

financial decision-making that was more focused on long-term goals<sup>2</sup>.

The same TD Study revealed that women are more inclined to react to market changes if not working with an advisor. While this behavioural characteristic certainly doesn't apply to all female investors, it's worth noting and being aware of.

## Women are likely to control household finances at some stage in life

In the 1950s, only 7% of households were made of an individual. In recent years, that number has shot up to nearly 30%.<sup>3</sup> This means that more women are living alone, both in middle age and in their older years, potentially resulting in a dramatic shift in their average financial responsibility. Even when a woman is married, she is more likely to have some ownership of household financial decisions than in previous generations. However, research indicates that a majority of women lack confidence in their financial knowledge and do not have a formal, written financial plan<sup>4</sup>. Finally, about a third of women surveyed felt financially dependent on a

partner – a fact that can become problematic should a divorce, death or job loss occur.

## Retirement planning for women

In order to help advocate for themselves and secure their financial future, women may consider improving their understanding of personal finance and/or work with an advisor. Financial literacy can go a long way, and it all starts with asking questions. Do you have a private pension or Registered Retirement Savings Plan (RRSP)? Does your partner have these things and, in the case of death or divorce, what are you entitled to? How much will you receive in public pensions (CPP, OAS) and investment income? How do you envision your lifestyle in retirement, and how much income is required to comfortably make that happen? Elements such as housing, healthcare costs, lifestyle and income must all be considered.

Regardless of gender, we know that knowledge is power – understanding your finances is the first step in taking control of your future. To learn more, please reach out to a TD advisor. ■



<sup>2</sup> <https://www.td.com/document/PDF/corporateresponsibility/123-18%20Women%20Investor%20Program%20Whitepaper%20EN%20FINAL.pdf>

<sup>3</sup> <https://business.financialpost.com/personal-finance/retirement/solo-retirement-is-on-the-rise-heres-how-you-can-mitigate-the-risks>

<sup>4</sup> <https://www.newswire.ca/news-releases/women-still-struggling-for-financial-independence---four-in-10-canadian-women-know-very-little-about-finance-and-investment-675821433.html>



# How Much Does University Really Cost?

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A college or university degree is invaluable in many ways but when it comes down to actual dollars spent, being a student is not cheap. The average Canadian university student spends \$9300 per year if living at home and nearly \$20,000 annually if living in a campus residence or other student housing. To illustrate how these totals break down, we'll look at some of the major costs associated with post-secondary education.

## Tuition and residence fees

The average annual undergraduate tuition fee at Canadian universities was \$6838 in 2018. Business and medical programs tend to cost more (usually in the range of \$12,000 to 15,000 annually) and studying dentistry can cost as much as \$20,000 per year. College tuition fees are slightly lower, averaging \$2400 for diploma programs, \$3600 for Graduate Certificate Programs, \$5000 for collaborative programs and \$6100 for college-level degree programs<sup>1</sup>.

Canadian residence costs will vary, but you can pay \$7000 or more for a full academic year (more if you add a university meal plan). If a student chooses to live outside the home

<sup>1</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/180905/dq180905b-eng.htm>



but off-campus, there may be less expensive options – for example, renting a room instead of a full apartment, or sharing an apartment with roommates.

### Books, living expenses and more

The average cost of textbooks can be over \$700 per year. Material for specialized programs such as law, business or medical school generally cost more, and some graduate programs involve more expensive books and or course materials.

Research shows that groceries cost students living outside the family home an average of \$50-75 per week, though many students indicated that they pay more. There's also the cost of food purchased on campus, transportation, social activities, school-based extracurriculars and yes, alcohol (which may account for 3% of the average student's budget). While tuition is expensive, it may account for about a third of the annual cost

of student life – food, housing, transportation, living expenses and other school-related fees can make up the rest. Don't forget to plan for the cost of personal care and a smartphone as well as common "wants" like travel, fitness and that monthly Netflix plan.

### Attending a school outside of Canada

While every country has unique fees, international students may pay a premium for both tuition and residence. To get a clear idea of these costs, it's best to look at the specific college or universities you're considering. Students typically pay more to attend a post-secondary school overseas, particularly in the United States, England or Australia.

CTA: As you look ahead to paying for post-secondary education, consider opening an RESP or other investment accounts. A TD advisor can help determine which option is best for you.

Source for all cost of living stats:

<https://www.macleans.ca/education/the-cost-of-a-canadian-university-education-in-six-charts/>





## Canada's Best Wine Regions

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If you love wine, you've likely visited the tasting room at a picturesque local vineyard. It's a great way to spend an afternoon with friends or go on a date with your significant other – and for some Canadians, the perfect excuse to travel. To make your next vacation an adventure in oenophilia, consider one of these incredible destinations.

### Prince Edward County, Ontario

Prince Edward County (or PEC, as it's called by locals) is home to dozens of wineries, breweries and cideries. There's even an emerging local spirits scene with small-batch distilleries making craft whisky, gin and more. The region has a small-town feel with an excellent selection of restaurants and is known for its modern, innovative wines. Many vineyards offer pinot noir and chardonnay, both of which fare well in the climate. In addition to food and drink, the area is home to many charming accommodations on or near Lake Ontario. Great views, fine dining, the perfect sip of wine – at only two hours from Toronto, it's worth the trip.

## Okanagan Valley, BC

Come for the wine, stay for the spectacular landscape. The Okanagan region has everything from mountain views to beautiful lakes and rolling valleys. Approximately 80% of British Columbia's wineries are located in the Okanagan Valley near Kelowna, at the southern end of the province<sup>1</sup>. Explore quaint, family-operated vineyards or large, internationally acclaimed wineries. While you're in town, there are plenty of opportunities for hiking, boating, sight-seeing or simply relaxing with a glass of wine in hand.

## Niagara-on-the-Lake, Ontario

Niagara-on-the-Lake (NOTL) is a quiet town surrounded by sprawling vineyards. Known for their historic theatre, luxurious spas and charming historic inns as well as their wine, the region is a popular weekend getaway. You'll find great restaurants and shopping options as well as historic sites, and bustling Niagara Falls is less than twenty minutes away. Be sure to try the ice wine – a local favourite!

## Annapolis Valley, Nova Scotia

A small but mighty wine region, the Annapolis Valley is just under two hours from Halifax. Boasting around a dozen vineyards, it's an ideal stop to make on your East Coast vacation. Try a Cuvee, a rose or a traditional chardonnay – there's something for every taste. Be sure to do some sightseeing and check out the local farmer's markets while you're in town – the Annapolis Valley is beautiful and welcoming.

## Île d'Orléans, QC

You've probably heard of Quebec's famed Eastern Townships, but are you familiar with Île d'Orléans? Located under an hour from Quebec City, this island is known as the Garden of Quebec. Boutique wineries abound and offer a wide variety of red, white, rose and ice wine options. Some of the region's vineyards date back to the 1500s, letting visitors feel like they've stepped back in time. It's the perfect backdrop for a romantic anniversary trip or a relaxing weekend getaway. Bon voyage!

<sup>1</sup> <https://winebc.com/discover-bc-wine-country/okanagan-valley/>



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