

Trending News

TD Wealth Private Investment Advice



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Back to School Saving at Every Age

Having a family isn't cheap – but it doesn't mean you have to break the bank, either. In honour of back to school season, we've gathered our favourite tips for saving money at every age and stage. Whether you have a newborn or a college freshman, we've got your back!

Babies and toddlers

It may be tempting to buy your child every new “must have” baby item on the block, but it's important to remember the difference between wants and needs. Cribs, high chairs, car seats, monitors and other infant products come in a wide variety of price points – remember that these are functional items, and a high end model isn't always better. Look for weekly sales on necessities like diapers and wipes, purchase frequent-use items in bulk and consider buying some items secondhand.

School-aged children

Much of staying on budget is simply being prepared. Make a list and stick to it as best as possible to avoid unnecessary back-to-school purchases¹. That said, school-aged children can often add unexpected costs to your budget in the form of field trips, extracurricular activities and additional clothing to replace lost, damaged or outgrown items². Make sure your budget accounts for these “extras” – they are almost certain to come up! Additionally, consider price comparing when shopping for back-to-school supplies, clothing or other items.

High schoolers

Older children may add new and higher expenses such as personal computers or other electronics. If your teenager has a cell phone, consider maybe having them contribute to the monthly bill. You could also consider setting up a family rate plan and set boundaries for appropriate usage³. Both can be great cost-saving options that can come with the added bonus of teaching responsibility.

College and university students

If your child is attending college or university (or will be soon), consider looking into grant and scholarship options available to them.

These funds may relate to grades, income, special skills, area of study or even a parent’s workplace⁴. You may be surprised at the financial support that’s available to your family! To save further, remember to consider continuing to price match, look for sales, buy in bulk when appropriate and generally avoiding superfluous spending. Some families will benefit from making larger, planned purchases such as a campus meal plan or transit pass, as these can help control spending in those areas. ■



Have you set up an RESP for your child? If not, consider asking your TD advisor how to get started.

1 <https://www.tdbank.com/financialeducation/saveonschoolsupplies.html>

2-3 <https://www.tdbank.com/financialeducation/schoolbudget.html>

4 <https://www.canada.ca/en/services/benefits/education/scholarships.html>

When Should You Update Your Will?



In the simplest terms, a Will is a legal document that allows you to distribute your assets according to your wishes on your death. If you die without a will, your assets are distributed using provincial legislative formulas without your input. Research has indicated that while 49% of Canadians have a legal Will, only 35% have one that's up to date¹. This means that over half of Canadians do not personally direct how their property is distributed on their deaths and another third may not remember who they willed their assets to.

It's easy to see why you need a Will – but once you have a Will, it is also important to understand when you should update it.

If your relationship status changes

A change in relationship status may change the way you want your assets distributed on your death. You should update your Will whenever you enter (or end) a marriage or cohabitation. In some provinces and territories, marriage and divorce can revoke a Will or change how your assets are distributed, even where you have a valid Will. Depending on the province or territory you live in, your common-law spouse may not have the same entitlement to property on death that a married spouse does under legislation.

As your loved ones grow and change

New family members can mean a change in (or addition to) your beneficiaries. If you want to ensure your Will includes children and/or grandchildren, make sure you review and update it as your family grows. Similarly, it's important to update your Will after the death of a spouse, child or other beneficiary.

¹ <http://angusreid.org/will-and-testament/>

You should also ensure that you revisit your Will if a beneficiary experiences a change in circumstance. You may want to put protections in place in your Will if a beneficiary is diagnosed with a disability, develops a substance abuse or gambling issue, or has difficulty controlling their spending. If a beneficiary experiences a divorce, you may want to remove the spouse as a beneficiary.

If you move to a new province or territory

Will and estate laws vary from province to province². Some provinces have different legislation or case law that can restrict what you can do with your property on death. Some also have different documentation requirements. Knowing this, it is important to review and potentially update your Will if your address has changed to a different province or territory.

Changes to executor/liquidator circumstances

While it is important to consider your changing circumstances when updating your Will, it is also important to consider if your executor/liquidator's circumstances have changed. Confirm that the person you have appointed to administer your assets still has the time, mental resources and physical proximity to be able to act effectively. If the person you have chosen no longer feels they can take on the responsibility of administering your assets, consider appointing a corporate executor, such as The Canada Trust Company, to assist in carrying out your final wishes.

Ask your advisor for the
"Passing on Your Wealth" guide.



When there are changes to the law

Not only do laws vary by location, they are also subject to change. If you have not experienced any of the life events above, it's still a good idea to review your Will periodically in order to ensure it reflects current laws. ■

² <https://www.canada.ca/en/financial-consumer-agency/services/estate-planning/resources-estate-law.html>

When to Save (or Splurge)

You may have heard the phrase, “everything in moderation”. While cliché, there is truth to this statement – even when it comes to your financial habits. It’s important to live within your means, but that doesn’t mean you can’t splurge on what brings you joy or makes life easier. Here, we’ll look at some ways to help identify when it may be best to splurge for your lifestyle and budget.



Identify what matters

Everyone has different priorities as well as different financial situations. For some people, the perfect splurge is hiring a house cleaner or buying their daily coffee instead of making it at home. For others, it’s purchasing a luxury car or taking a high end vacation. It all depends on your lifestyle, your priorities and how you want to spend your money. There is no wrong way to splurge – as long as it doesn’t negatively impact your finances.

The big question: can you afford it?

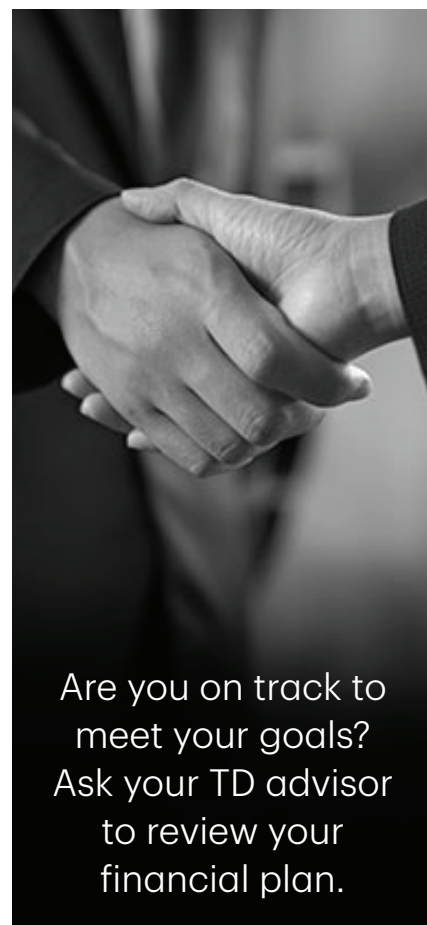
While everyone’s ideal splurge is different, the bottom line is that it should fall into the category of what you can reasonably afford. This is very personal and will vary wildly from person to person. If buying your daily coffee causes no strain on your monthly budget, go for it! But if it adds up to more than you can afford, consider scaling back on coffee purchases or decreasing your spending in another category to make up the difference. Any splurge is reasonable if you have the means to finance it without compromising your ability to save, invest and/or grow your assets. One good example? If you have to finance that dream car at a high interest rate or borrow a large sum of money to pay for that vacation, it’s likely not within your means. The bigger the purchase, the bigger the potential buyer’s remorse!

Are there less expensive alternatives?

Splurging doesn't necessarily mean spending top dollar. If you have your heart set on a certain vehicle, vacation or hand bag, for example, there may be ways to spend less and still get what you want. Consider setting travel alerts to look for deals on accommodations and airfare, or buy that coveted purse secondhand. Consider scaling back instead of eliminating – or, take the time to save up for your splurge so you can get what you want and still pay for it outright.

Avoid the slippery slope

A couple of indulgences within your means can be easy enough to justify, but if one splurge turns into three and then a dozen, you may have blown your budget before you know it. Ensure that you exercise discipline and stick to planned boundaries¹. This can help you enjoy your chosen splurge while helping you stay on track to meet your financial goals. ■



Are you on track to meet your goals?
Ask your TD advisor to review your financial plan.

¹ <https://money.cnn.com/2018/06/21/pf/how-much-afford-splurge/index.html>