

A Husband's Point Of View

A.M.H. Financial Services

Happy St. Patrick's Day

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On the Lighter Side

How do fleas train? They have to start from scratch

What is the only thing that you can lose and yet still have? Your temper

What profession gets the most fringe benefits? Hairdressing

What do you call a baby budgie? A budget

Why do chickens listen to the radio? It's their only form of hertainment

What sort of music can you listen to in bed? Sheet music

It's March and spring is finally here!

Most of us are conflicted when it comes to money because we must make choices; and like the menu at the local diner, there are just too many of them. We know *intellectually* that saving, providing, protecting, investing and planning are all good moves - worthy and important for comfort both today and tomorrow. But we know *emotionally* that we want to enjoy the fruits of our labours now. So on the battle rages.

Good planning takes into account what we need in the short, mid and long-term and how to proceed to make that happen. Yes, sacrifices, choices and decisions must be made,

some more painful than others. But like growing tomatoes it takes time (and a little help from Mother Nature) to produce something worthwhile.

Life has an ebb and flow, a cycle with its own time frame. It takes 24 hours from one day to the next and no matter how hard we try, it cannot be more or less. You want your financial planning to take the same attitude. Markets rise and fall, interest rates move at their own cycle, jobs come and go, health is here one day and challenged the next.

You have to relax and let the process unfold. Your patience will pay off at the end.



A Husband's Point of View

FINANCIAL PLANNING IS LIKE GROWING TOMATOES

If you've ever planted anything - from a lima bean in a water soaked paper towel to a vegetable garden - you know that it takes time and the right conditions to bring anything from dormancy to fruition. It really doesn't matter how anxious you are for that perfect tomato. It takes exactly as long as it takes.

The rest of our world has been cast with a vastly different set of rules and expectations. We want and expect immediate gratification. We expect corporate managers to do whatever it takes to deliver higher profits, even if it means forgoing research and development, long-term projects and business reinvention. We want and expect that the moment we place our bet on a stock that it

will rise like the morning sun. We want our rewards now.

This mindset filters into government (federal, provincial, and municipal) which has allowed our infrastructure to crumble and our schools to make do with less while we busily focus on the now.

Personal finance is no exception:

"What's the good of saving for retirement? I might be dead by then."

Buy insurance? That's betting against myself!"

"Yes, I know my RRSP is for retirement, but I can't believe that the performance was so bad last month. It makes me nervous."

"Put that one away for my kid's college? But that means I won't be able to go on vacation next year. And what if I need the money for something else?"

Instead of throwing your hands up in surrender, just take each step forward carefully. Remember that it takes time and attention to build a secure financial life just as it takes time and attention to build a full, rich and meaningful life.

Or the perfect crop of tomatoes.

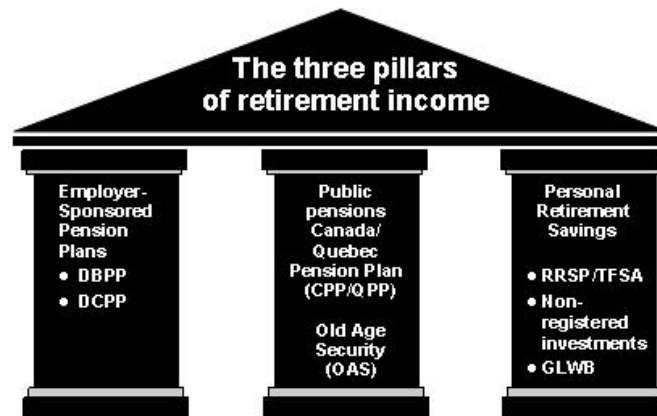


Creating a retirement strategy

Wouldn't it be great to look forward to your retirement rather than worry about how you are going to manage financially when you are no longer working? The key to this security is having a well-planned retirement strategy, reviewing it annually, at a minimum, and sticking to it.



The first step in retirement planning is to determine how much income you will need on a monthly or annual basis to maintain the lifestyle you desire in retirement. Once you determine how much money you need, you will have to find sources for that money. There are many different sources but three are most common. In retirement, most Canadians will have three potential sources of income to draw upon for living expenses. They are called The Three Pillars.



Life begins at retirement!

Let's start with the centre pillar, since this is the one that most Canadians will receive. CPP/QPP is funded by your contributions and was designed to replace up to 25% of income in retirement. OAS is funded by government revenues and is distributed based on age, legal status and number of year resident in Canada. The average Canadian will earn less than \$18,000 per year in public pensions. Clearly, you will need alternate sources of income during your retirement years.

The pillar on the left is Employer Sponsored Pension Plans. There is the Defined Benefit (DB) Pension Plan and there is the Defined Contribution (DC) Pension Plan. With the Defined Benefit Pension Plan the amount of retirement income you will receive is known. The calculation is typically based on years of service and annual salary. While different plans have different ways of calculating the plan members future income the common denominator is that the employer takes all the risk. With the Defined Contribution Pension Plan both employer and employees contribute to these plans. The amount of income is largely dependent on how the plan member invests his or her contributions. In this type of plan, the risk is with the plan member.

The pillar on the right is the one pillar of retirement funding which rests entirely on your shoulders. Personal retirement savings include RRSP's, TFSA's, non-registered investments and Guaranteed Lifetime Withdrawal Benefits (GLWB's). The earlier you start to contribute, even if you start with a small monthly contribution, the more money you will accumulate to help fund your retirement.

Individually, none of these three pillars may be enough to adequately fund your retirement years, so it is important to start as early as possible and put away as much as possible, to provide a comfortable financially secure retirement.



"I'LL NEED YOUR CREDIT CARD AGAIN... THE PRICE WENT UP WHILE YOU WERE PUMPING IT."

Please pass this newsletter on to all your friends and family to look at. If they like it, please give us their email address and we will add them to our distribution list so they can enjoy it each month along with you!

Five easy ways to save money!

We all can make a list of the things we want—vacations, cars, a new home or cottage or a nice next egg for our retirement, but can you list even a few ways to save enough money to get these things? There are simple and easy ways to save money. Does this mean that you'll be jetting off to Europe soon, or buying a new Ferrari next month? Probably not. But with just a little effort and perseverance, you can eventually save for the things you want most.

Given the choice, most of us would opt to make more. It's always easier to save money when you have more money. That option, however, is often out of our control. For most of us, saving money means spending less. There are several ways to approach this, from making your money less accessible to finding ways to purchase less or better.

Here are five ways that you can try to help you save more money so you can afford the things you want.

1. Pay yourself first

Often called the Golden Rule of personal finance, this concept has been around forever because it works. It's based on the principle that you can't spend what you don't have. Arrange with your bank to have a specific amount of money (say \$50 or \$100) automatically transferred from your regular bank account where your paycheque goes into to a separate bank account. Do this on the first of every month so the money is out of sight before you begin to pay your monthly bills and everyday expenses.

2. Pay your bills on time

The interest on credit cards and utilities can be more than you bargained for, and you get nothing for it except less money in your bank account. If you find that you are spending more than you have each month, consider switching to debit until you have your spending under control. At least with debit, if the money isn't there, you can't make the purchase.

3. Observe the 24 hour rule

Impulse purchases can eat up a lot of your hard-earned money. Retailer know how to make their goods and services extremely tempting and will try every trick in the book to get you to buy what they're selling. Give yourself a 24 hour wait time to make any "unscheduled" purchases. If you didn't know you needed it before you went into the store, then you probably don't, and you'll realize that when you have time to get over the advertising and merchandizing hype.

4. Borrow, share and trade

There are some items that you need only once, or for a specific amount of time. Think of lawn mowers, snow blowers, power tools, etc. These are items that are easy to share with family and friends. Set up a "sharing" network for these things. If you have, say, a snowblower, offer it for use to neighbours who might have a seldom-used item that you could benefit from, like a carpet steamer or power washer. If there is something that you must have, consider buying it used on a site like Craigslist or Kijiji.

5. Entertain at home

Eating out at a restaurant, even a few times a week, can really add up. Try having friends over instead of going out, and pack your lunch for work as often as you can. And if you enjoy television and movies, get rid of your expensive monthly cable and subscribe to a service like Netflix that gives you unlimited access to movies and television shows for a mere fraction of what other services cost. Remember to put the money you're saving into a special account that you do not have easy access to, or invest the savings in long-term vehicles for your future.



**Make more...
or spend less!**

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TRIVIA

1. As a diagnostic procedure what does MRI stand for?
2. How many black keys are there on a standard piano?
3. The world's deepest lake is located in Russia, the US or Canada?
4. A curmudgeon is a knock-out punch, a dog breeder or a grouch?
5. What is the distance of the Kentucky Derby horse race?

Answers
1. Magnetic resonance imaging
2. 36
3. Russia (Lake Baikal)
4. Grouch
5. 1 1/4 miles



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AND THE FINEST SERVICE POSSIBLE!**

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My mission is to help you to make an educated decision that you are comfortable with!

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



Worth Quoting

When work, commitment, and pleasure all become one and you reach that deep well where passion lives, nothing is impossible.
- Nancy Coey

If your mind and thoughts are in alignment with the passion of your heart, this will predispose you to right action and catapult you toward success.
- Anonymous

The very basic core of a man's living spirit is his passion for adventure.
- Christopher McCandless

If you really want something you can figure out how to make it happen.
- Cher

DID YOU KNOW

The planet Jupiter has many moons and four of them are known as the Galilean moons: Io, Europa, Ganymede and Callisto. Over 400 volcanoes have been found on Io.

Watching the behaviour of ants can often help to predict the weather. If a rainstorm is coming, the worker ant will go back to their anthill. The last one in will cover the hole so no rain gets in.