I'm Worth It!

Tips, strategies and planning for your financial future.

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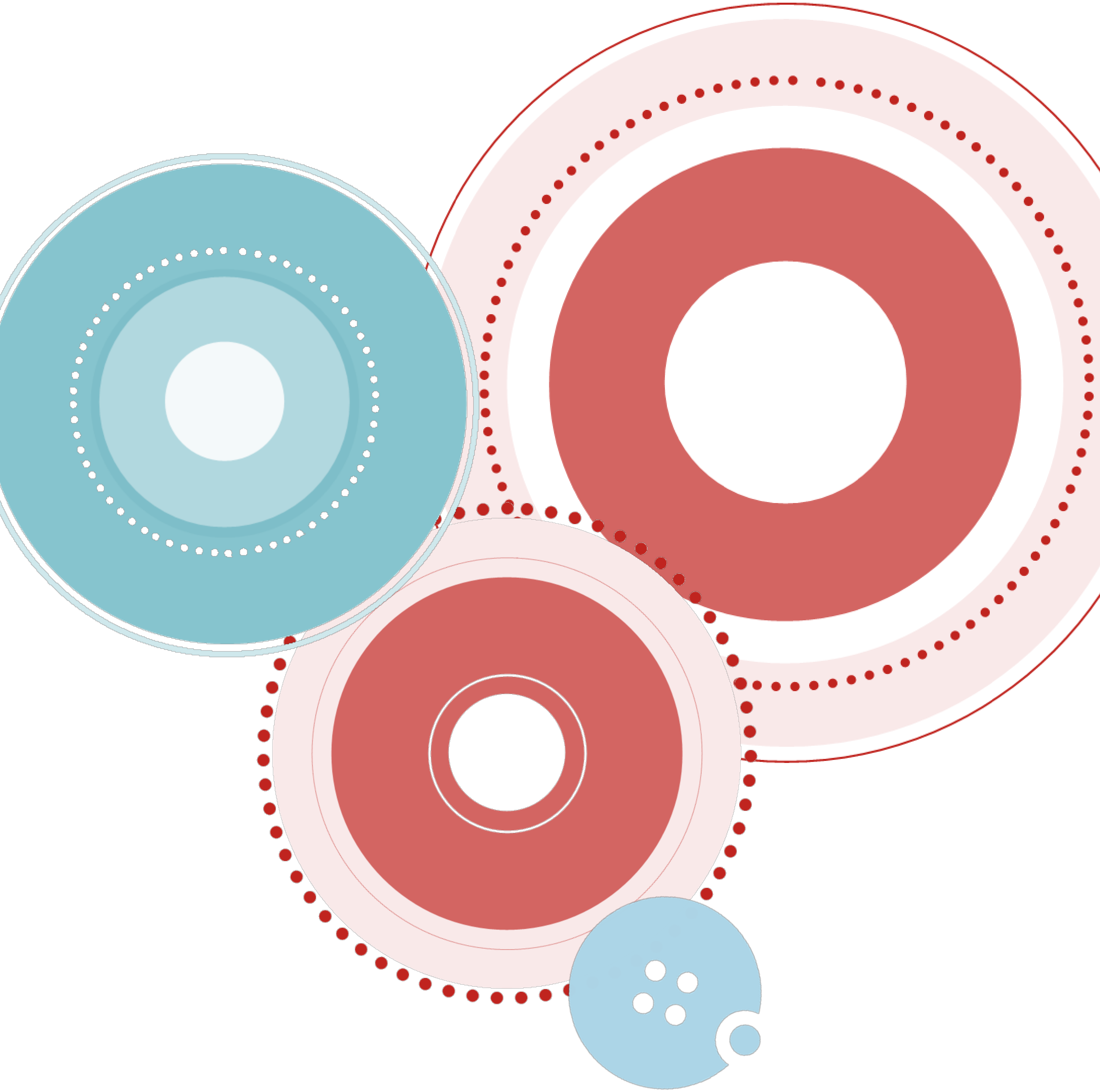

Having a Clear Understanding

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.

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Understanding Your Values

Quiz – Childhood Memories and Adult Behaviour

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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.

Relationship Tip

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

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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 page 14.

*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.

Relationship Tip

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.

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.

Values	Goals	Plan
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.

Values	Goals	Plan
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.*

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 spending, 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 fulfill 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 20.
- **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 26.

- **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 40.

Smart Spending

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 as much as you can with cash. Credit cards trick our brains into not feeling the loss or "pain" of spending money. Paying with cash can help force a sober second thought before parting with the physical funds. Withdraw only what you've budgeted for each day and keep track of where, when and how much you spend so you can see exactly where you may be over or under budget.
- **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 "buyer'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 on other things.
- **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 advisor.

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 22).
- **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.

Your Monthly Budget

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

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

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

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

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

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

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		

Budgeting Plan: How will you stay on budget next month?

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 advisor:

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 and Canada Savings Bonds are guaranteed to provide returns where other investments 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 and RRSPs, visit Canada Revenue Agency's website www.cra-grc.ca or ask your financial advisor.

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.hrsdc.gc.ca/eng/learning/index.shtml.

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 $5,000 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 www.tfsa.gc.ca or ask your financial advisor.

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.

Working With a Financial Advisor[1]

A financial advisor can help guide you along your investing journey. They can help you set goals, build a long-term plan, choose suitable investments, track your progress, and make adjustments to your plan when needed. They can also answer questions about investment products and strategies and keep you motivated to stick to your plan.

Financial advisors may specialize in certain markets, and choosing the right advisor will depend on what products and services you want or need and how much you're willing to pay for advice.

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

1. **Are you and your firm registered with FCNB?**

   In order to sell or advise in securities in the province of New Brunswick an individual or firm must be registered with the Financial and Consumer Services Commission (FCNB), unless an exemption applies. A person's registration is more important than their title because it tells you the type of products or services they are qualified to sell or provide advice on. Registration helps protect investors because FCNB will only register firms and individuals if they are properly qualified and meet a certain standard. You can look this up on FCNB's website at www.FCNB.ca or by calling 1 866 933-2222.

2. **What is your background?**

   Ask questions like:

   - What is your education and professional experience?
   - How long has your firm been in business?
   - How long have you been with the firm?

[1] ** The term 'financial advisor' includes: securities dealers; advisors; dealing representatives; advising representatives; or other registrants.*

- What products and services do you offer?

3. **How are you paid for your services (salary, commission or flat fee)?**

   Financial advisors can be paid by salary, commission, a flat fee, or a combination of these methods. If an advisor is paid by salary, the cost of their advice is built into the products you buy. Many advisors are paid a commission for every product they sell. Other advisors charge a flat fee based on an hourly rate or a percentage of the assets in your account.

   Find out how the advisor is paid, how much their services will cost you and what services you'll get for your money.

4. **What types of products and services do you offer?**

   Not all advisors offer the same products and services or have the same expertise. Some specialize in certain kinds of investments. Others can offer you a wide range of investments and services. If you're an experienced investor, you may want an advisor who offers a wide range of products and lets you choose. If you're newer to investing, you may be more comfortable with fewer choices and more guidance from an advisor.

5. **Who are your clients?**

   A financial advisor's job is to help you work toward your financial goals. It will help if the advisor has a good track record with clients like you - people with similar backgrounds and goals. Ask the advisor to describe their typical client. Also ask for references from clients who have been working with the advisor for a while

6. **What level of service can I expect from you?**

   You should discuss this with the advisor up front. Ask questions like:
   - 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 e-mails be returned? Will they be returned by you or by support staff?

7. How will you help me reach my goals?

A financial advisor should ask about your financial goals and investment objectives. Are you mainly looking for safety, income or long-term growth?

Are you saving for something specific, like retirement? The advisor will also ask about your financial situation, investment knowledge and experience, and risk tolerance. This information may seem personal, but it helps the advisor make the best recommendations for you.

Make sure the advisor asks for this information and gives you a copy. You should also let your advisor know whenever your personal or financial situation changes so they can update this information.

Be an Informed Investor

Being an informed investor is the best way to protect your money. For more information on how to choose a financial advisor, visit http://www.fcnb.ca/working-financial-advisor.html

Your responsibilities as a client

Advisors 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 advisor a productive one:

- **Be prepared for each meeting.** Treat each meeting with your advisor 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 advisor 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 advisor 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 advisor right away if there are any problems.
- **Keep your advisor up to date.** Tell your advisor 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.

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 advisor. To get you started, here are a few basic investment terms:

Risk and Return	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.
Cash Equivalents	These are investments that can be quickly turned into cash such as savings bonds, treasury bills and guaranteed investment certificates (GICs). They are generally low-risk but have lower rates of return.
Bonds	A bond is a debt instrument. Buying a bond means you are lending your money to a government or company for a certain period of time. In exchange, they promise to pay you a fixed rate of interest at certain times and repay the value of the money borrowed (face value) at the end of the bond's term (maturity date).
Stocks	Stocks are also known as shares or equities. They represent a unit of ownership interest in a corporation or financial asset. When buying stocks or equities, you become a part owner in a business (shareholder). You can make money if the stock increases and if the company pays a dividend to shareholders; 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.

Mutual Funds	Mutual funds are a collection of investments from one or more asset classes. When you buy a mutual fund, your money is pooled with many other investors. The level of risk and return and unit price depends on what the fund invests in. The units or shares are redeemable on demand by the investor. The advantages are that you can diversify your portfolio because the fund invests in a variety of investments and is managed by a professional manager. Mutual funds also have associated costs such as management fees, salesperson commissions, MER, sales charges, trailer fees and transaction fees.

Did You Know?

Mutual Funds are the most commonly held investment product in New Brunswick (58%).

Financial Advisor Fee Terminology

To help you understand the fees associated with investing and working with a financial advisor, here are a few terms. If you run into any questions, never hesitate to ask a professional.

Management Fees	Portfolio managers and many advisors 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 advisor/client relationship and pays for the cost of managing your overall portfolio. In return, you receive recommendations and advice tailored to your investment goals.
Brokerage Commissions	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 advisor could trade more than is warranted to increase their income.
Discount Broker Fees	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.
Fee For Service	For fee-based accounts, the advisor may both charge a management fee and take a commission for individual transactions. For fee-only services, the advisor charges a set rate (often hourly) and does not collect commissions or referral fees.

Management Expense Ratio (MER)	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 a measure of what it costs an investment company to operate a mutual fund. It is 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 administrations. The MER is taken out of the fund's assets, and lowers the return to a fund's investors. This means the higher the MER, the more the fund will have to earn in order for you to make money.
Mutual Fund Trailer Fees	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 advisor 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 advisor. Ask your advisor directly if they will receive a trailer fee and how it compares to fees they receive from other funds.
Sales Charges or **Front-end Load Charges**	A commission or a charge that you pay at the time of the initial purchase of an investment. 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.

Back-end Load or Deferred Sales Charges	A fee that is charged when selling mutual fund shares within a specified period of time (usually five to ten years after purchase). The fee is a percentage of the value of the units being sold. Fees paid at the time of redemption are generally 0 - 6%, depending on how long you have held the fund. The fee is higher in earlier years, and decreases until a specified end date at which point the fee is no longer charged.
Transaction Fees	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.
Short-Term Trading Fees	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.
Other Fees	The fund may charge you a fee if you want to switch funds, start a registered plan, or open or close an account.

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, ask yourself these questions:

1. **Are you dealing with a registered advisor?**

   Anyone selling securities or offering investment advice in New Brunswick must be registered with FCNB, unless they are exempt from this requirement. To check whether someone is registered, call FCNB at 1 866 933-2222, or check online at www.FCNB.ca.

2. **Can you verify the investment with a credible source?**

   If you receive an unsolicited investment opportunity, get a second opinion from your registered financial advisor, lawyer or accountant, or call FCNB for assistance.

3. **If you are promised a guaranteed return, is the guarantee given by a reputable financial institution?**

   Ask for proof of the guarantee in writing and remember, a guarantee is only as good as the person or company offering it.

4. **Is the risk you are taking reasonable for the expected return?**

   In general, returns on low-risk investments are in the range of current GIC rates offered by banks. If the expected return is higher than these rates, you are taking a greater risk with your money. Make sure you understand and can afford the amount of risk you're taking on.

5. **Is the investment opportunity based on facts?**

   The sources of "hot tips" or "insider news" often have hidden motives.

6. **Do you understand how the investment works?**

   If you don't understand the investment, don't invest.

7. **Have you had enough time to make a decision?**

   Don't give in to high-pressure sales tactics like limited time offers. Take your time making investment decisions and never sign documents you have not

Did You Know?

The top three ways New Brunswickers report being introduced to an investment fraud:

1. Email spam
2. Phone call
3. A Friend, neighbour, co-worker or family member.

Always do your homework before handing over money for an investment.
Visit www.FCNB.ca for more
tips to help you recognize and avoid fraud before your money falls into the wrong hands.

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.

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 owns 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 New Brunswick. 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 New Brunswick Government website www.gnb.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.

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.FCNB.ca or www.MakeitCountOnline.ca.

Know the Facts: Maternity and Child Care 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 pregnancy.

Know the facts about taking maternity and child care 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.servicecanada.gc.ca or for basic information about taking maternity and child care leave, visit the Government of New Brunswick website www.gnb.ca.

Adapted for New Brunswick by FCNB, with the permission of the Manitoba Securities Commission.

All information contained in this brochure is intended for general use and is subject to change without notice. For up-to-date requirements for RRSPs, RESPs and other types of investments, we suggest you confirm all information with a financial professional.

FINANCIAL AND CONSUMER SERVICES COMMISSION

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