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A closer look at Money Realities



After many years of low increases in the cost of living, we are now faced with levels **increasing to heights** not seen in decades. It seems like all prices have gone up, some more noticeable than others like energy such as the cost of filling up your vehicle with gasoline. Food costs have also escalated. A **personal observation** in recent trips to the grocery store have seen bread go from two loaves for \$4.00 to two for \$5.00 and then two for \$6.00 in just a month. Likewise other staples have increased in cost, especially meat.

Those most affected are on fixed and low income. **Inflation affects savings over time** especially when the inflation is higher than returns on investment. Over the past several years retirement projections have assumed inflation no greater than 3 percent. At double that rate, these projections are no longer valid, and if inflation continues at that rate or anything higher than 3 percent, then adjustments need to be made.

What is to be done? At present, nothing, as the current increases may not exist into the future. How long is of course unknown, but as the pandemic seems hopefully to be running its course, and supply chain and employment issues are resolved, we could return to previous rates.

There can be no doubt that increasing costs can put a **dent in the budget** and result in deciding what can be afforded. How to keep other costs low can be a challenge especially running a vehicle. Cutting down on trips if possible, can be a consideration, going slower, less idling and where possible car pooling. Some households with multiple vehicles are **considering downsizing** to just one which would result in real savings and not just on gas. Eating healthy is still possible while reducing the grocery bill. We have included on the reverse one of our **favorite recipes** which is very economical and always popular.

Regardless, it is important to **continue to save** in order to keep ahead, even though more resources need to be spent on essentials at this time. We always need to be aware that the future will require what we are saving and investing in the present in order to maintain future quality of life.

Interest Rates - Morgages etc.

The end of low interest rates are behind us which is unfortunate for borrowers with home mortgages, especially those with **variable rates** which respond to rate changes. What to do? It depends and a good reason to discuss with us as there are a number of factors involved, particularly for considering buying a home. Also, we can refer you to mortgage experts who can advise you of the options.

Office Open

After two years of being closed due to the pandemic, we have opened our doors with conditions. Although all staff have had three "shots" two are still at risk and therefore we request anyone coming into the office be masked.

We still recommend doing business by telephone and over the Internet as Zoom has been quite popular. For those wishing "in person meetings" please **book in advance**. If you are dropping off tax information call first before putting in the bin on the front door and let us know you have done so.

Thanks again for your patience and understanding

Protection Important

The first thing we think of when we hear of a fire or accident is was there insurance. Insurance is something that we hope **never having to use**. However, we all know of instances when it has been very important not only for fire or theft but for life insurance, critical illness, disability, mortgage and travel, which as **licenced insurance brokers** we can provide these forms of protection and search for the best rates.

As financial planners **we are required** to inform you of the availability of these types of insurances for your particular protection needs. If you have any questions with respect to your current situation please call or e-mail at any time.

See reverse for more news

Tasty but Fast Chili Recipe

You may recall in a previous newsletter we included a pasta recipe featuring cherry tomatoes and baked in the oven. Now in consideration of the current inflationary times we thought it appropriate to feature one of our favorite easy and fast to prepare **economical** chili recipes. It only takes a short time to make and cook and with 8 servings you can freeze some for later. There is no meat in this version but feel free to add.

Ingredients: Two tbsp oil, 2 cloves of garlic minced, 1 large onion diced, 2 large carrots sliced, 2 stalks celery sliced, 3 cups of sliced mushroom, 2 red or green peppers diced, 1 can crushed tomatoes with juice, ½ cup chopped parsley, ¼ cup chili powder, 1 tsp cumin, 1 tsp dried oregano leaves, 1 (19 oz.) Can of Kidney beans, rinsed and drained

Directions: Saute first seven ingredients in large saucepan, stirring often for about 8 to 10 minutes. Add tomatoes, parsley and seasonings and any water if needed. Cover and simmer for about 15 minutes stirring occasionally. Add remaining ingredients and cover uncovered for up to 10 minutes, stirring occasionally until slightly thickened. The longer you simmer the better the flavour.

Note: Rather than Kidney beans you can use other varieties. Serve with crusty bread or tacos. Enjoy.

War Economic Outcomes

As we are writing this the outcome of the war in Ukraine is unknown. Even if Russia is “successful” it will be a **hollow victory** with continued resistance for years. The Russian economy has been severely effected, an unintended consequence of the aggression and restraints which are likely to remain in place for quite some time. What this means in both the short and long term is uncertain. Stock markets do not like uncertainly and therefore volatility is likely to continue.

As far as Canada is concerned, our resources have become **more valuable** including energy and food. Russia has been the source of oil, gas and wheat like Ukraine for many countries. Canada will try, as much as possible, to fill that need. However, there will be challenges for many countries going forward and inflation will be a factor as supplies will not be available to meet demand. Over the past 30 or so years of trade stability has now been broken and the outcome is a question mark.

It is likely that defense spending in our country as well as other NATO allies will increase, which will mean **less available** for social services and needed infrastructure which is unfortunate. We can expect possible taxation increases to support this additional spending and also to pay interest charges on dept.

This of course is **speculation** of our part and that of many others as well. We only wait and see and hope for the most favorable outcome in these troubled times.

To Mask or UnMask

It has been over two years since the pandemic has affected our lives in so many ways including the wearing of masks to protect ourselves and others from infection. While we have gotten used to the restrictions there has been what might be called “COVID fatigue” and a real desire to return to “normal” including no masks.



Despite political leaders declaring an “all clear” a **sizable proportion** of citizens remain skeptical as well as respected health professionals. The head of the Sudbury Health Unit says we currently have the highest rate of infections and hospitalizations in the province. John, as head of the Canadian Association of Retired Persons (CARP) with almost 2,000 members in the area, interviewed Dr. Peter Zalan in a Zoom session which can be accessed by clicking on the link below or by copying and pasting the link in your internet browser: <https://youtu.be/jUkW0MvmOjk>

A Matter of Trust

The definition of trust is: “a firm belief in the character, strength, or truth of someone or something” It is certainly a **goal** we uphold in all our dealings and interactions with our clients including a **fiduciary responsibility** to put the interests of those who use our services above those of our own.

Trust is extremely important where financial matters are concerned. Who can you trust? Certainly, a **first consideration** is who you might consider truly a professional with designations such as Certified and/or Registered Financial Planner and Chartered Financial Analyst? Are they insured, bonded, under supervision by regulators and self regulatory organizations?

We are **licensed**, carry several million in E & O insurance plus bonding. We are also members of the Institute of Advanced Financial Planners, Registered Deposit Brokers Association and other organizations,

The portfolio managers at the **Croft Financial Group**, our investment partners, are under Ontario Securities Commission and additional regulations and we have the utmost trust in their working on your behalf.