

Never Think NEVER

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Desjardins: good advice, always!

Your relationship with money changes over time. Life's surprises may disrupt your plans and prospects. Throughout your life, you want to be able to base your choices and decisions on expert advice. That is why Desjardins has an entire team of seasoned professionals to help make your dreams a reality.

Whatever the nature and complexity of your financial plans, Desjardins can help you carry them out, through all steps of your financial life.

There Is No Substitute for a Good Action Plan

Even before developing a strategy and implementing it through an action plan, it is important to understand all the elements that will help provide an overall picture of your situation. This exercise will also allow you to strike the desired balance between your needs and wants so your action plan is based on realistic and flexible hypotheses. For the best results, we recommend that such an approach include the following steps:

1. DEFINE EACH OBJECTIVE AND THE TIME HORIZON FOR ACHIEVING IT

Whether it's starting a family, buying your first house, paying for education, adopting a child, starting your own company, preparing for sabbatical leave, or planning for your retirement or the smooth transfer of your assets, it is advisable to plan a short-term (less than one year), medium-term (one to five years), or long-term (more than five years) time horizon for each project.

At this preliminary stage, it is also a good idea to distinguish between your basic needs (those linked to your standard of living) and special needs, while evaluating the relative importance of each.

2. ALLOCATE THE NECESSARY FINANCIAL RESOURCES TO EACH PROJECT

Saving, repaying debts, and investing are the three keys to achieving any financial objective. As such, paying constant attention to the money that comes in and goes out is essential for anyone aspiring to financial autonomy.

Similarly, sound budget management is essential to successfully achieving all your financial goals.

Keeping a budget allows you to understand your real situation rather than simply guessing. It is also an excellent reference when the time comes to set priorities and choose between "having enough" and "wanting more".

In addition, the investor profile can be used as a diagnostic tool, in particular for determining your comfort level with certain investments. One of its benefits is that it helps establish the best compromise between the risk level of different investments and the potential return.

This exercise is even more important given that you must deal with inflation over the course of your financial life. For example, did you know that an annual rate of inflation as low as 2% would cause you to lose 35% of your buying power over 15 years?

3. CONSIDER TAXES

By making sure you claim all the deductions and tax credits you are eligible for, you could substantially reduce your tax bill. Similarly, RRSPs and TFSA have tax benefits that can help you achieve your goals more quickly.



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You should also learn about how to optimize your investment income so as to minimize your taxes. For example, based on the 2010 tax tables, you could owe up to \$482 per \$1,000 of interest income, whereas it would cost you \$307 at most for \$1,000 of assessable dividends and \$241 for \$1,000 in capital gains.

4. PAY SPECIAL ATTENTION TO LEGAL ISSUES

Wherever you are in your financial life, you should have a proper will that clearly establishes your wishes while taking account of your personal situation as well as legal and tax constraints. Similarly, a mandate in case of incapacity is an asset that could prove very useful depending on circumstances. These documents should ideally be notarized. By taking these steps, you can avoid your family considerable inconvenience, especially if you have a common law spouse or are part of a blended family.

5. MAKE SURE YOU HAVE GOOD INSURANCE

When it comes to protecting yourself, your family, and your property, be sure to evaluate your insurance needs in case of accident, disability, loss of independence, serious illness, or even death. Neglecting to do so could seriously jeopardize your financial autonomy and your ability to realize your dreams.

Drop by your caisse to meet with a Desjardins specialist today. These seasoned professionals will help you make well-informed and personalized decisions.

Specialists for All Your Needs

Your Desjardins advisor or financial planner¹

These professionals specialize in needs analysis and portfolio diversification, at every stage of your financial life. Because they have an overall picture of your financial assets, they are able to develop an action plan tailored to your personal situation and recommend you to other specialists as needed.

Your Desjardins Securities investment advisor²

Your investment advisor, who is very knowledgeable about the stock markets, is there to help you optimize the return on your investment portfolio and is backed by a team of analysts and a research department among the most highly regarded in Canada.

Your Desjardins Financial Security advisor³

Working alongside your financial planner, this personal insurance professional draws on extensive expertise to offer you life, disability, and health insurance solutions tailored to your needs.

Your Desjardins General Insurance property and casualty insurance agent

This professional can offer you a complete range of home, auto, and business insurance coverage.

Your Desjardins Private Management specialist

If you have significant assets, this team of specialized managers can assist you with planning, managing, protecting, and transferring your estate.

Your Desjardins Business Center account manager

This professional works closely with your financial planner and a whole team of specialists to offer you solutions tailored to your business needs.

1. Financial planners act on behalf of Desjardins Financial Services Firm Inc.

2. Member of the Canadian Investor Protection Fund (CIPF)

3. Employee of Desjardins Financial Security, Financial Services Firm



Money working for people

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