

YOURMONEY

BRIEFINGS

U.S. consumer confidence climbs

Consumer confidence in the U.S. rose last week to the highest level in more than five months. The Bloomberg Consumer Comfort Index climbed to minus 44.8 in the period ended Dec. 31, the best showing since mid-July, from minus 47.5 the prior week. All three components — the state of the economy, personal finances, and buying climate — improved. A Labor Department report Friday may show employers added more workers to payrolls in December, helping boost the outlook for growth.

▶ INVESTING

Making new investments

At some point you will consider new investments. These questions improve your decisions:

- Why am I buying them and what are my expectations?
- Do I understand them and what risks am I taking?
- How do they fit my portfolio and is the advice objective?

If the answers don't seem to make sense, ask again. A second opinion may reduce concerns and increase your comfort.

Adrian Mistraczi
KCF Wealth Management

▶ DIGITS

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That's the average age at which British Columbians expect to retire, according to the TD Age of Retirement Report. Whether the goal is realistic is another question. The same report found that more than half of Boomers (ages 47-64) and 62 per cent of those in Generation X say they have less than \$100,000 in household financial assets, not including company pensions, life insurance policies and home equity. Sixteen per cent of Canadians say they have no financial assets whatsoever.

▶ NOTABLE

It's RSP season. The deadline to make a Registered Retirement Savings Plan contribution for 2011 tax returns is Feb. 29, 2012. Your contribution limits can be found on your 2010 notice of assessment from Canada Revenue Agency.

Langara College is offering a series of courses beginning in January about stock market investing. The series is seven Thursdays, beginning Jan. 26, from 6:30 to 9:30 p.m., and costs \$325. To register, call 604-323-5322 or visit www.langara.bc.ca/cas.

We want your stories. Are you drowning in debt? Or wondering how best to invest your savings? We'd love to hear from you, and seek out advice for your personal finance questions. Send your question, and contact information to Tracy Sherlock at tsherlock@vancouver.sun.com or blog.vancouver.sun.com



Ashleigh Pidgeon and notary David Watts go over her will at his offices in Vancouver. Pidgeon says the process was 'way easier' than she expected.

GLENN BRADY/CP

ESTATE PLANNING | Where there's a will, there's a significant savings

Leaving your affairs to the courts will cost a lot more to sort out, notary says

BY TRACY SHERLOCK
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They say nothing is certain except death and taxes, but nearly half of British Columbians appear to be in denial about their eventual demise.

Just half of British Columbians have a current and legal will, a provincewide poll done for the Society of Notaries Public of B.C. found. Without a will, you cannot determine who will look after your children — or your money — after you die.

For Vancouver notary David Watts, there is no good reason not to have a will.

A single uncomplicated will costs about \$250 for a notary to prepare, while a will with several related documents, such as power of attorney or an advance health care directive, will cost about \$1,000 for a couple, he said.

If you leave your affairs to the courts, it will cost a lot more than that to sort out, Watts said.

"Even if everybody just has to get a lawyer and talk to them

for an hour, you'll be way over the cost of a will," Watts said. "Money definitely brings out the worst in people, and just because people are in families doesn't mean they fight any less."

Ashleigh Pidgeon, 27, was motivated to draw up her first will last spring, just before her son Sawyer was born in April. Pidgeon and her husband chose her husband's mother as guardian to Sawyer and any future children they may have.

"It was a super-hard decision," Pidgeon said, adding that ultimately the couple decided on her husband's mother because she is 13 years younger than her own mother.

Two-thirds of Canadian parents have not formally specified for their children, according to a BMO Harris Private Banking study done earlier this fall. With no will, potential guardians are left to fight it out in court, and if no one steps forward, the child may be placed in foster care.

Although talking about death can be awkward, not preparing

a will can be even worse. "A lot of people before they start the process, are a bit concerned about it. They think they're going to draw up a will, and then be hit by a bus the next day," Watts said.

"We're talking about death, which is a fairly uncomfortable subject for most people."

"Once we start into the process — and we do so in a fairly sensitive way — any sense of uneasiness typically goes away pretty quickly. A lot of people say afterwards that they feel a great sense of relief."

Pidgeon found the process of creating a will "way easier" than she expected, saying the only hard decision was who to name as guardian.

Pidgeon and her husband spent about an hour completing a worksheet that Watts provided to help make decisions, and then another hour meeting with Watts on two separate occasions.

The most important things to consider when drawing up a will are who will be the executors, who will be the guardian or trustee, if needed, and who

will be the beneficiaries. Options for preparing a will include using prepared forms to do it yourself, using a notary public or using a lawyer, which is advisable for complex estates.

Wills should be updated anytime there is a major life change, such as having kids, losing a partner, going through a divorce or getting remarried.

"Eventually we get to an age where our kids are starting to look after us, and they become the most appropriate executors," Watts said.

But for most people, it is the birth of a child that brings them to a notary or a lawyer to write up their wishes.

"People don't necessarily care about what happens to their stuff, but they do care about what happens to their kids," Watts said.

If you're not sure who to name as guardian, Watts suggests thinking about the values you consider important.

"You want to choose someone who you trust, and also that you trust their judgment," Watts said.

"You want someone who is responsible and honest, and whose values you share. If you could leave your kids with this person for a week, that might be a good way to judge."

It's very important to discuss your intentions with the potential guardian or executor before naming them in your will.

"It's always a good discussion to have because these are not small tasks," Watts said.

"Usually family members are quite happy to do this, but there are also professional alternatives, who you can pay to act in these capacities."

The notaries' poll, conducted in November 2010 among 502 adults in B.C., found that 15 per cent of people in the 18-to-34 age range, 49 per cent between 35 and 54, and 80 per cent of individuals 55-plus have a will in place.

The BMO online survey was conducted by Leger Marketing among 374 Canadians with minor children, between Nov. 14 and 17.

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RATES & RETURNS						ANNUITIES	
Jan. 6, 2012						ANNUITIES FOR LIFE	
GICs Bank rate 1.25%						\$50,000 buys (per month)	
	30 day	90 day	1 year	3 year	5 year	Age	
Bank of Montreal	0.65	0.98	1.15	1.40	1.85	65	71
Bank of Nova Scotia	0.15	0.15	0.90	1.25	1.75	Male	\$259-\$296 \$318-\$362
Canadian Western Bank	0.50	1.00	1.88	2.22	2.55	Female	\$239-\$256 \$284-\$305
CIBC	0.40	0.50	0.90	1.25	1.75	Joint	\$208-\$229 \$241-\$266
Coast Capital Savings	0.60	0.70	1.60	2.15	2.50		
First West Credit Union	0.20	0.20	1.30	1.75	2.10		
HSBC Canada	0.50	0.85	1.00	1.25	1.75		
Royal Bank of Canada	0.50	0.75	1.15	1.40	1.85		
TD Bank	0.66	0.96	1.15	1.40	1.85		
Newly Credit Union	1.00	0.50	0.90	1.15	1.60		

MORTGAGE RATE SURVEY				ANNUITIES	
Jan. 6, 2012				ANNUITIES FOR LIFE	
Variable (Closed)	1YR	3YR	5YR	\$50,000 buys (per month)	
2.75-3.55%	3.00-4.3%	3.29-4.45%	3.45-5.39%	Age	

RATES & RETURNS				ANNUITIES	
Jan. 6, 2012				ANNUITIES FOR LIFE	
MUTUAL FUNDS (at Nov. 30th, 2011) Past performance*				\$50,000 buys (per month)	
Bond funds				ANNUITIES FOR LIFE	
Equity funds:				\$50,000 buys (per month)	
(Canadian Core Fixed Income):				1-year.....-6.00%	
1-year.....	5.70%	3-year.....	6.70%		
3-year.....	6.90%	5-year.....	4.60%		
5-year.....	4.60%	10-year.....	4.90%		
10-year.....	4.90%	International equity funds:			
Short Term Fixed Income:				1-year.....-6.60%	
1-year.....	2.70%	3-year.....	3.90%		
3-year.....	3.10%	5-year.....	6.70%		
5-year.....	3.10%	10-year.....	0.70%		
10-year.....	3.00%	Balanced funds:			
1-year.....	-0.50%	3-year.....	10.40%		
3-year.....	10.40%	5-year.....	1.50%		
5-year.....	1.50%	10-year.....	5.10%		
10-year.....	5.10%	*Returns are an average of past returns and are not necessarily indicative of future performance. Source: Fidelity IR (Morningstar Canada)/iShares, BMO Notes compiled by Clay Williams, Regis Group Financial Advisors Ltd. Tel: 866-737-0713			