

FINANCIAL PLANNING FOR YOUR CHILD'S FUTURE

BARRIERS

As a new father, I took a deep look at how I could help assist my daughter to live a comfortable and financially healthy lifestyle; for the both of us.

Below are 3 key barriers we'll have to face:

- 1) Currently across Canada, parents are gifting an average of \$82,000 to their children for a first-time home purchase.*
- 2) 70% of Canadians have some form of post-secondary education, whether it be a degree or trades skill.*
- 3) 1 in 2.7 Canadians suffer a Critical Illness in their lifetime.*



WHAT DO THE STATS MEAN

1) With the way the real estate market is today, it's difficult for a young person or a couple to break the barrier of entry on their own. As statistics show, most go to their parents for support.

Instead of gifting a one-time lump sum from your investments or savings, what if you could help by contributing with consistent lower payments, that grows tax-deferred, and gives your child the option to always purchase further life insurance coverage, with no additional medical.

2) Besides in rare cases, society requires us to have some form of post-secondary education in order to live a comfortable lifestyle. The job market is competitive, and employers are looking to hire people who are skilled and/or educated for these positions. The current Canadian average cost of post secondary education is ~\$28,000.

- A RESP is a strategy that can be used for tax-deferred growth, the government of Canada will also match up to 20% for annual deposits of \$2,500 & the government will match contributions up to \$7,200 per beneficiary.

3) People today are often living longer, but we're not always living healthier and illnesses such as cancer, heart attacks and strokes are becoming more common. Although illnesses such as these are more common, thanks to modern medicine the survival rate has also increased. However, the time to recovery isn't instant, and resources are needed.

- Often when we have one of these illnesses we miss work, have additional expenses for medications, home care, babysitters, transportation etc. and it can take time with our public healthcare system to get treatment. This too, can cut into our retirement investments or savings, but there is a solution.

WHAT I DID

The simple answer is;

- A unique whole life product, that allows for further investment and additional life insurance in the future, with no additional medical.

- Set up a RESP, to have maximum contributions until maximum government matching is reached.

- Purchased a Child Critical Illness Policy that's paid in full in 20 years, with a full return of premium rider.

For further in-depth information, please feel free to contact us! We will work with you to create a customized strategy catered to you and your child's individual needs.