

SLATER FINANCIAL GROUP

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Hot Off the Press: The 2024 Federal Budget has been unveiled, bringing forth a series of tax measures set to impact Canadian taxpayers. Jamie Golombek, Managing Director of Tax and Estate Planning, offers a detailed breakdown of these changes in [his latest report](#). We are happy to discuss these updates and their implications together at our next meeting.



***Congratulations** to the graduates in your families! What a significant milestone! Transitioning from academic life to the professional world can be both exhilarating and daunting. With many choices to make and uncertainties to face, one of the best ways to start is by securing one's financial future. By following these three pivotal steps, graduates can feel secure and confident about their financial well-being. If you know someone graduating this year, feel free to share this information with them!*

Reminder: We hosted a webinar on Building Wealth with Registered Plans with Jamie Golombek on April 9th. [Click here](#) to watch the recording.

Three Tips for Graduates to Start Their Financial Future

1. Develop a Goals-Based Financial Plan and Monthly Budget

Goals-based financial planning is a structured approach to financial management customized to one's aspirations and circumstances. Graduates can prioritize their financial decisions by identifying short-term objectives, such as travelling or paying off student loans, and long-term goals, like home ownership and retirement savings. This method promotes discipline, encourages good saving habits, and creates a clear blueprint for achieving financial independence.

Looking far into the future and setting goals for fifteen, ten, or even five years ahead can seem overwhelming or out of reach. Accomplishing these goals takes time and effort and requires careful groundwork and planning. That's where a budget comes in handy. Once your graduate has created a goals-based financial plan, they can use it to create a monthly budget specifically designed to support those objectives. The financial plan is like a blueprint, and the budget serves as the foundation.

They should start by calculating their after-tax income, then track all their expenses for a month. It's important to differentiate between needs and wants to allocate money more effectively. Following the 70-20-10 rule, allocate 70% of income to expenses such as housing, transportation, bills, subscriptions, etc., 20% to debt payments (or savings if they don't have any debt), an 10% to long-term savings or investments. We recommend setting up automatic payment and savings, ideally on the days they're paid, to streamline the process and ensure consistency. Out of sight, out of mind! Graduates will accelerate progress towards achieving their financial goals by managing spending efficiently, avoiding unnecessary debt, and adhering to a structured savings plan.

The earlier they start, the better off they'll be in the long run, thanks to the power of **compounding!** This process instills confidence by establishing measurable milestones, empowering graduates to track progress and make informed adjustments along the way.

2. Debt Management: Know Your Rates

Managing debts efficiently is essential for recent graduates to secure their financial future. By setting clear goals within a financial plan, graduates can create a structured repayment strategy that aligns debt management efforts with broader financial objectives. As they're creating their monthly budget, it's crucial to prioritize debt management as it ensures carrying cost stays low and will minimize the impact on their credit score. Knowing what interest rate they're paying helps them prioritize payments, focusing on high-interest debts while maintaining minimum payments on others. If they don't have debt, they can start building credit responsibly.

Graduates can build credit responsibly by keeping a low credit limit (to avoid overspending), always paying on time, and limiting how much credit gets used (we recommend around 30% of the available limit). While the power of compounding works in favour of savings, it works against those with debts. *Remember: no credit is better than bad credit.*

By combining debt management and credit-building strategies, graduates can navigate financial challenges while laying a solid foundation for their financial well-being.

3. Choosing the Right Plan

As graduates begin their financial planning journey, initiating savings and investments early on can profoundly influence their financial trajectory. Registered and non-registered plans are crucial tools that help realize their aspirations. By carefully considering factors such as risk tolerance, investment horizon, and financial objectives, graduates can choose the right plan for their individual goals and circumstances. For example, if one of their goals is to become a homeowner in the next five years, they should strongly consider opening a First Home Savings Account (FHSA). Or, say they're saving for a new car; a Tax-Free Savings Account (TFSA) would be beneficial. Or, if they're starting a family, they should consider opening a Registered Education Savings Plan (RESP). There's a multitude of registered and non-registered plans to choose from but selecting the most suitable options for their specific needs, goals, and circumstances lays the groundwork for long-term financial success. Explore different registered plans [here](#) or watch the recording of our last webinar: **Building Wealth with Registered Plans**.

As graduates embark on their journey into the professional world, help equip them with the tools they need to secure their financial future. By sharing these foundational steps with the graduates in your families, you can provide them with invaluable guidance as they navigate this exciting yet challenging transition. Once they've established a strong financial foundation, they can explore other investment opportunities, start a business, acquire investment properties, plan for a family, and begin building a family legacy. Remember, your support and wisdom can have a lasting impact on their financial well-being and future success.

Meet Our New Team Members!



Eloïse Slater

Administrative Assistant

Eloïse holds a bachelor's degree in Journalism from Toronto Metropolitan University. Since graduating, she's worked with numerous Canadian charities and non-profit organizations as a digital marketing consultant. In addition to her duties as an Administrative Assistant, Eloïse is responsible for client communications and marketing initiatives, such as creating the Slater Financial Group's monthly newsletter.

Born and raised in Toronto, Eloïse loves exploring the city's diverse neighbourhoods and vibrant culinary scene. She enjoys working in various artistic mediums, with crochet and oil pastels being her favourites. Eloïse's interests also extend to social issues and community involvement, reflecting her passion for positive social change.



Pauline Ragmat

Administrative Assistant

Pauline is currently pursuing a bachelor's degree in Business & Society at York University. With a focus on building strong client relationships and ensuring the smooth operation of the Slater Financial Group, Pauline plays a crucial role in our day-to-day activities. Her responsibilities include email monitoring, scheduling meetings, facilitating fund transfers to clients' accounts, and providing valuable support to the team in coordinating administrative tasks.

Outside of work and school, Pauline is passionate about culinary arts, finding joy in both cooking and baking ventures. She also expresses her creativity through painting and maintains balance through regular yoga practices. Pauline loves exploring new things and immersing herself in diverse cultures through her love of travelling.

Reach out to us

At [Slater Financial Group](#), we're happy to speak with you or your family members, friends or colleagues trying to navigate many of these details. In addition, our clients have the benefit of tapping into the many resources available to us here at CIBC.



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About us

Your Trusted Partner in Wealth Management: *Empowering Families, Enriching Futures*

Since 1995 we have made ourselves available to act as a sounding board for anyone who may need urgent financial advice or just a second opinion. We have been able to help many families by providing comprehensive wealth management services. As a result, our business now comes to us almost exclusively through referrals.

So, if you're approached by a friend, neighbour or family member, or if you know someone who needs a sympathetic ear, please let them know we always have time to listen, and do our best to help. By making ourselves available this way, we're striving to make people's financial lives less stressful and better, knowing that we're *"doing well by doing good."*

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Mark Slater is an Investment Advisor with CIBC Wood Gundy in Toronto. The views of Mark Slater do not necessarily reflect those of CIBC World Markets Inc.

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