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# E-WEDNESDAY

September 12, 2018

“

Never invest in any idea you can't illustrate with a crayon.

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Peter Lynch



# Money

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"Budget: a mathematical confirmation of your suspicions." A . A . Latimer

## **Bank of Canada holds key interest rate steady at 1.5%**

The Bank of Canada is keeping its benchmark interest rate steady at 1.5 per cent.

The central bank's rate, known as the target for the overnight rate, affects the percentage borrowers and savers get from retail banks on mortgages, savings accounts and other financial services.

All things being equal, the central bank raises its rate when it wants to cool down an overheated economy but cuts it when it wants to coax people to borrow money to spend and invest in a sluggish economy.

In a statement announcing the rate decision, the bank said trade uncertainty stemming from NAFTA negotiations continues to weigh on the outlook, but the economy overall is performing about as expected.

"Business investment and exports have been growing solidly for several quarters," the bank said. "Meanwhile, activity in the housing market is beginning to stabilize as households adjust to higher interest rates and changes in housing policies."

While it opted to stand on the sidelines for now, the bank gave every indication it does plan to keep ratcheting its rate higher in the near future.

"Recent data reinforce Governing Council's assessment that higher interest rates will be warranted to achieve the inflation target," the bank said.

## **Trudeau considering an appeal or legislation to end Trans Mountain impasse**

A week after the Federal Court of Appeal quashed cabinet approval of the Trans Mountain pipeline expansion project, Prime Minister Justin Trudeau said his government is looking at all options to get construction back on track — including an appeal of the ruling and new legislation.

Speaking to reporters in Edmonton, Trudeau said he wants to see "shovels in the ground as quickly as possible" because the project is in the country's best interests, adding he also wants to satisfy the court's concerns to avoid further litigation.



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"We're looking at various options, including legislation, including appeals, and we're looking at what we need to do to satisfy the court," Trudeau said. "We have to move forward on a path that takes community and environmental assessments into account."

Citing Canada's uncertain trade climate and U.S. President Donald Trump's protectionist push, Trudeau said his government is "taking it seriously and we're moving forward because this pipeline project needs to get done and the only way it will get done is by doing it the right way ...

"Canadians understand how important it is to get our resources to markets other than the U.S. right now, across the Pacific."

## **Crescent Point plans to cut 17 per cent of work force as Craig Bryksa takes reins as CEO**

Crescent Point Energy Corp. says it plans to reduce its workforce by 17 per cent, sell some infrastructure assets and reduce its debt by more than \$1 billion by the end of 2019.

The Calgary-based company says the workforce reduction will lower expenses by more than \$50 million annually, but it didn't say how many people would be affected.

According to a regulatory filing, it had 1,085 permanent employees at the end of December, including 462 at its head office.

Crescent Point also confirmed Craig Bryksa is the new president and chief executive. He replaced long-time CEO Scott Saxberg on an interim basis in May.

"This restructuring is difficult, however we needed to adjust the organization to match our current business needs," Bryksa said in a statement.

"We are all focused on executing our transition plan and are excited about Crescent Point's future."

# **Technology & Perspective**

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"Do you realize if it weren't for Edison we'd be watching TV by candlelight?" A I  
B o l i s k a

## **The Next Generation of Entrepreneurs - By John Stackhouse**

Millennials are supposed to be deeply schooled in disruption.

New curriculums changed how they learned, new technologies changed how they communicate, and new forms of work have changed their career paths. So why don't more millennials embrace the challenge of entrepreneurship?



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It's hard to measure just how many Canadians are building innovative startups, but those born after 1980 are lagging behind—in 2014, three quarters of small-business owners were aged 40 to 64.

For millennials, who now represent the biggest age group in the Canadian labour force, entrepreneurship might seem like a natural choice as careers have become less predictable—according to LinkedIn, early-career millennials are already switching jobs twice as fast as some Gen-Xers.

"Millennials have this special passion, an ability to just want to disrupt everything," said Emily Bland, who was 22 when she was part of the Enactus Memorial team that founded hydroponics startup SucSeed in 2017. "We don't look at things as the way they are. We look at them for what they could be."

What Canada needs to do is harness that mindset to build the next generation of entrepreneurs.

### **Next-gen Tools**

Today's entrepreneurs have a real advantage. It's never been easier to start a company, build a website, and get your message out. Of course, that also means it's never been harder to get noticed.

Emma Harris didn't have a background in coding when she built her startup, Healthy Pets, at the age of 25. The company offers an online service connecting pet owners and veterinarians via phone and a mobile app.

"I'm not an engineer and yet I was still able to pursue those opportunities because of what exists today," she said. "The flip side to the low barriers to entry is that it's now harder than ever to succeed and make your way to the top of the industry that you're pursuing, simply because more people are entering themselves." So how do they distinguish themselves? Or how did she?

Harris and Bland spoke at the Aug. 21 RBC Disruptors event along with Daniel D'Souza, the 22-year-old co-founder of inclusion-training startup Crescendo, on the future of youth entrepreneurship.

They agreed that it's never been easier to get a business up and running. The challenge is getting others to follow in their footsteps.

### **Innovating in the Classroom**

One answer may lie in giving students more exposure to entrepreneurial options during their schooling. In 2017, more than 64,000 students participated in entrepreneurial competitions in Ontario and Quebec alone.

That's how Bland got her start. Before she started working on SucSeed as a social enterprise to improve food security through hydroponic grow operations, she wanted to be a lawyer.

In university, she got involved with the Enactus socially conscious entrepreneurial competition and, in her final year, led a team that beat students from 1,700 other campuses with a business idea that would become SucSeed.

Bland said that international success showed her the value of entrepreneurship as a career, and showed her how to think big.



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"I think as Canadians, sometimes we cut ourselves short," she said. "We look at success as building a million-dollar company, doing a hundred thousand dollars in revenue, getting one big sale. But we need to take initiative, we need to believe that we can build billion-dollar companies here."

### What's NEXT

Bland, Harris and D'Souza are all involved with the entrepreneurship programs offered by the non-profit NEXT Canada. Supported by RBC, it provides mentorship, professional development and networking opportunities for select groups of entrepreneurs at varying stages of their careers.

D'Souza said it's a great time to be running your own business. The celebrity status of founders has never been higher, with innovators like Elon Musk, Jeff Bezos and even Kylie Jenner making headlines and becoming role models.

"Being an entrepreneur now is sexier than it's ever been," he said. "That inspires a lot of people and shows that it's not as difficult as you might think."

<https://discover.rbcroyalbank.com/the-next-generation-of-entrepreneurs/>

## Wit

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"Life is like a ten speed bicycle. Most of us have gears we never use."

Charles M. Schulz



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# Home and Travel

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“If the bee disappeared off the face of the Earth, man would only have four years left to live” E i n s t e i n

## **Snowbird Winter Destinations: San Diego - By Diane Amato**

Sunny San Diego, just north of the Mexican border, is a popular snowbird destination due to its mild climate, beautiful beaches and range of outdoor activities.

Outdoor enthusiasts, die-hard golfers and culture buffs alike are sure to embrace the many activities and attractions San Diego has to offer. The expansive Balboa Park, for instance, is home the world famous San Diego Zoo, over a dozen museums and numerous unique galleries and gardens. Stunning hikes and breathtaking whale watching excursions are also easy to reach from wherever you stay in the San Diego area, as are the many beaches that dot the coastline.

While the city itself offers many things to see and do, there are several nearby seaside communities to explore – either for the day, or as a winter destination. Check out pretty La Jolla, glamorous Encinitas, or mellow Solana beach. You can even cross to Tijuana for the day for fun Mexican shopping and dining experiences.

With the laid back charm of a beach town, the amenities of a big city and some of the best hiking, surfing and golf courses in the world, San Diego truly has something for everyone.

### **Climate**

San Diego's consistently comfortable sunny days and cool nights make the area an enticing spot for snowbirds to spend the winter months. It's rarely too hot and almost never too cold, so it's easy to get outdoors no matter when you're visiting.

### **Activities**

The San Diego area is home to a stunning strip of coastline, the Peninsular Mountain Ranges and inland desert landscape. Given the wide range in setting and terrain, there is lots to do for the outdoor enthusiast – from golfing to hiking, cycling and surfing. And while there is only one major league sports franchise in town, L.A. is only two hours away – so sports fans can easily get their fix, whatever their game is.

### **Sports and Leisure**

The San Diego Padres is the only major league franchise in town, and kicks off the ball season at the end of March/ early April at the spectacular Petco Park, which boasts the best sightlines in baseball and fabulous views of downtown San Diego.

While the sports viewing is limited in the immediate area, the city of L.A. is just a two-hour drive – so even the most diehard sports enthusiast will be in their element. Fans can visit epic stadiums, see some current greats and schedule a time to visit when the home team is playing.



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And if you've got grandkids coming in to the area – or if you're young at heart – a day trip to L.A's amazing theme parks will prove to be great fun.

Read all about sports and leisure in the L.A. area – including major league baseball, basketball and hockey franchises, as well as famous theme parks – in our Coachella Valley post.

### **Parks, Arts and Culture**

USA Today has called San Diego "One of America's most creative cities," and it's no wonder. Balboa Park alone features 17 museums and cultural institutions with a wide range of artistic and historical experiences, making it the largest urban collection of cultural exhibits in the U.S. It's also home to the world famous San Diego Zoo and a stunning assortment of unique gardens that are perfect for strolling, reflection or exploration.

But creativity extends well beyond the boundaries of the park! In fact, San Diego county is home to 248 museums, and the city is proud to present two Tony® Award-Winning theatres, a range of public art spaces, exciting music venues, dance performances, film festivals and more.

### **Shopping and Dining**

San Diego is home to an exciting dining scene that has truly taken off over the last 10 years. Previously known as a hot spot for tacos and burritos, the culinary options today are as diverse as they are delicious. Conde Nast Traveler has put out a Top 20 list of restaurants in San Diego proper – as well as neighbouring suburbs – so you can get a taste of what the city has to offer.

If you're in the mood for some retail therapy, you're also in luck in San Diego. Whether you care to stroll the many outdoor shopping malls and outlet centres, explore up and coming shops and designer boutiques, or dig for treasures at the weekly farmers markets, you'll find what you're looking for here. To give you a hand, Racked.com has a great map of boutique and vintage shopping in the city and Sandiego.org has compiled a listing of their favourite outlet malls and shopping centres for your browsing pleasure.

### **Real Estate**

Housing in the San Diego area tends to be more expensive than other snowbird regions, with the median home price coming in at \$625,759. But there is a large condo market in the region, offering more affordable options for those wishing to make this seaside region their winter home. And with several desirable suburbs – including Encinitas, Solana Beach, Poway and La Jolla – there's lots of real estate to choose from.

Median home prices per city:

- Encinitas: \$1,011,169
- Poway: \$634,000
- Solana Beach: \$1,311,000
- La Jolla: \$1,732,000
- Escondido: 437,800

### **Getting There and Around**



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There are regular, non-stop flights to San Diego from several Canadian cities. Many snowbirds choose to drive from Canada, with several scenic routes to that travel through spectacular landscapes featuring mountains and rock formations. Getting around San Diego is easiest to do by car, but public transportation is a viable option if you're sticking within the city limits.

### Bottom Line

With near-perfect weather all year, the San Diego area offers an exciting range of outdoor activities, attractions and culture for the Canadian snowbird looking for a getaway that is so much more than a beach. While home ownership does tend to come at a higher price in and around San Diego, there are a number of beautiful suburbs to explore, and a range of housing options to choose from. If you're willing to pay a bit more for an active, exciting seaside retirement, it's worth taking a second look at San Diego.

<https://discover.rbcroyalbank.com/snowbird-winter-destinations-san-diego/>

## Lifestyle & Family

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"Families are like fudge — mostly sweet with a few nuts." U n k n o w n

### How to Recognize and Prevent Financial Elder Abuse

Financial abuse in particular is a growing problem in Canada. According to a Vancity report, 41% of elderly adults have experienced some form of financial abuse.

Financial abuse of the elderly isn't often talked about, but it is a concern for many seniors. Here are ways to help protect yourself or your loved ones.

As a wills and estate lawyer, Bianca Krueger has seen her fair share of family conflicts and money-related arguments, but she says there's nothing more heartbreaking than when a child takes advantage of an elderly parent. Several years ago she received a call from an 80-something client who said she wanted to change her will. She asked to meet away from her home — and Krueger soon understood why. The day of the scheduled meeting, a man called and spoke to her paralegal to cancel the appointment. Krueger thought that very strange, so she visited the client's apartment regardless — where the woman's son physically attempted to block Krueger from entering.

The elderly client wanted to appoint an attorney and change her will so that she could be assured that she was looked after in the future. The middle-aged son, had a severe drinking problem, was verbally demeaning to his mother, and he wanted to keep the condo to himself upon her death. He was also under the mistaken belief that as the current executor of her will, he had some power to block her decision-making ability during her lifetime.



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In the end, Krueger succeeded in helping the client with her estate and incapacity planning with the help of her other children, but the incident stuck with her. Unfortunately, these stories are more common than many Canadians realize.

Financial abuse in particular is a growing problem in Canada. According to a 2014 Vancity report, which surveyed seniors in the Vancouver and lower mainland regions, 41% of elderly adults have experienced some form of financial abuse. With an expected 98% increase in seniors over age 85 in the next 20 years, that number is likely to rise. While there are other types of elder abuse, financial exploitation is the most common, with 62.5% of cases of abuse being money-related, according to the Ontario Human Rights Commission.

## **Understand What Financial Elder Abuse Looks Like**

Elder abuse consists of more than just fraud targeting unsuspecting seniors. Financial elder abuse can also be a case of family members, caregivers or friends taking advantage of an elderly person's finances. It could be a family member, a service provider that the older adult has entrusted, or it could be a neighbour or a friend.

Financial abuse can take many forms, from the seemingly innocent, like a child charging their groceries to their parent's credit card, to the more deliberate, such as a new boyfriend trying to get included in a will. Often elderly people don't realize they're being taken advantage of until it's too late. "It may not start with some big request," notes Krueger.

The challenge with elder abuse — and a reason why Statistics Canada says that 96% of abuse experienced by older adults goes hidden or undetected — is that it's often difficult to ascertain. It's an increasingly grey area. When is it assisting with estate planning, and when is it stealing?

## **Spot the Red Flags: New "friends" Or Changes in Spending Patterns**

It's not always easy to see financial abuse of an elder as it's happening. More often, cases are discovered after large portions of one's savings have gone missing. But there are warning signs that loved ones should watch for. One big red flag is the new "friend."

Suddenly, a new friend, companion, or romantic interest appears on the scene, then begins accompanying the senior to meetings with lawyers and financial advisors. Family members and loved ones should determine who that person is and question why he or she should be involved. Also be aware of any unusual purchases, such as the senior suddenly shopping online when it's never been their habit. In such cases, it's possible that someone else, a child or the new "friend," is shopping with that senior's credit card.

Social isolation is another red flag. If the senior is spending less time with their family or established social networks, and too much time with one person, it could be cause for concern. Krueger recommends that the elderly person in question stay involved in their community and maintain their social circle. Loved ones should be on the lookout for any sudden changes in social activities and patterns of behaviour.

## **Protect Your Loved One by Establishing Financial Power of Attorney**



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The best way to prevent elder abuse is to put plans in place early on. Begin by appointing the proper financial power of attorney, or POA, which is distinct from a health-related POA. By default, many people appoint the senior's child as power of attorney. But in many cases, one's offspring may not be ideally positioned to oversee the parent's finances.

What if the child must decide between expensive around-the-clock homecare and a less expensive retirement home? Can a child objectively make the best choice, when one option may very well cut into their inheritance? And if the child is not adept at managing their own finances, should they be in charge of their parent's finances?

It's not easy to think critically about family members, but it's important that the senior fully understand their relationship with the individual who has power of attorney, and that person's relationship to others. Krueger has seen many cases of children disagreeing as to what is in the parent's best interests. Sometimes, families end up making mistakes simply because siblings live in a different city and they're not physically present.

You need to be realistic about your family situation. This means striving to be objective when it comes to making decisions that can affect multiple parties and extended families. That's where having a trusted professional may help bring some the clarity and independence to make the best decision for the elder. Krueger recommends three criteria for choosing a private person to act under a financial power of attorney. The attorney should be trustworthy, live in the same geographic area, and most of all, he or she should have the senior's best interests at heart. Krueger believes the best way to mitigate family issues or tensions is to appoint a corporate attorney, who can oversee spending, asset allocation, distributions to family members and more. A corporate attorney, for example, is not influenced by people's opinions and is held to a very high standard.

Seniors may want to offer guidance to their power of attorney on how they would like to see their money spent. For instance, if the grandparent wants to pay for a grandchild's education, they should articulate this specifically and have it documented.

### **Educate Yourself and Your Loved Ones about All the Options**

Last but not least, education is key. "Boomers and seniors who are either approaching retirement or living in retirement must understand their financial goals, their sources of income, how to manage their current finances, and what to be aware of when it comes to potential financial abuse," says David Agnew, CEO of RBC Wealth Management Canada.

Financial abuse of elders isn't going to go away any time soon, but people can better protect themselves and their loved ones by being vigilant and well-informed — and recognizing that it's not uncommon for something — or someone — to go awry. No one wants to believe that someone they love and trust would be capable of doing this. But it happens.

<https://discover.rbcroyalbank.com/how-to-recognize-and-prevent-financial-elder-abuse/>



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