

Minding Money



Lara D. Austin

B.A. (Hons.), CIM, FMA

Investment Advisor

250-334-5600

lara.austin@rbc.com

laraaustin.com

RBC Dominion Securities
777A Fitzgerald Avenue
Courtenay, BC V9N 2R4

*For the friends and clients
of Lara Austin of
RBC Dominion Securities*

Yes you CAN do something.

When your investment accounts are slowly and methodically moving in the right direction (which is UP for most people) we don't mind 'doing nothing'. But as we all know, markets have periods of intolerance (like a two year old's temper tantrum) and they will go the wrong direction. At this point human nature steps in. You feel like you have to 'do something'.

According to respected psychologist Albert Bandura, self-efficacy is "the belief in one's capabilities to organize and execute the courses of action required to manage prospective situations". In other words, self-efficacy is a person's belief in his or her ability to succeed in a particular situation. People with a strong sense of self-efficacy:

- View challenging problems as tasks to be mastered.
- Develop deeper interest in the activities in which they participate.
- Form a stronger sense of commitment to their interests and activities.
- Recover quickly from setbacks and disappointments.

People with a weak sense of self-efficacy:

- Avoid challenging tasks.
- Believe that difficult tasks and situations are beyond their capabilities.
- Focus on personal failings and negative outcomes.
- Quickly lose confidence in personal abilities

The field of psychology is fairly young, but is so important in helping people understand their unique responses to external events. When one sets up an investment portfolio it is important to decide how much to put 'at risk' – FROM THE START. In addition, the 'at risk' portion should have levels for 'quality control' and a rebalancing feature. In investment language 'quality control' may be the market capitalization (or size of the companies), diversity by sector and geographic region and analyzing the track record of a company's management and growth. Rebalancing means just that... a function that allows for the taking of profits and re-allocating of those profits, ideally in an unbiased systematic manner.

Investors who recognize themselves as people with strong self-efficacy should also realize that they are prone to mucking with their initial plan because it is 'in their behavior code'. They should remind themselves that they, in fact, have 'done something', and that the something is still 'in operation'. That being said, if your risk profile has reduced because of changes in YOUR situation, it may just be time to 'take action'.

As a steward for financial affairs of many clients, it is my job to help clients uncover if their desire for change is for the sake of change, or if it really is necessary. I always look forward to those conversations.

Lara D. Austin

Planning for the caregiving needs of a spouse, parent or other loved one

Taking some simple planning steps now can help ease the transition if a loved one becomes dependent on you for care.

Family and friends most often step forward without hesitation when caregiving needs arise. However, the shift in responsibilities can be challenging. It may be many years away, but putting a plan in place now can help to alleviate some of the stresses of caregiving when issues of dependency arise.

Caregiving support

Seniors require assistance for many different long-term health problems, ranging from chronic conditions such as arthritis, to cataracts or Alzheimer's disease. Depending on the level of care needed, the tasks involved in caregiving may entail many different elements. Personal care, for example, could include dressing, bathing, grooming, cooking meals and housecleaning. Medical care tasks could include providing assistance with medical treatments or procedures and accompanying the person to doctors' appointments.

As the population ages, the need for caregiving is likely to increase. According to census data, the population of seniors in Canada surpassed 4.3 million in 2006, up from 3.9 million in 2001. Population projections suggest that the proportion of seniors in the general population will increase from 13% in 2006 to 21% in 2026.

Planning now for the possibility of being a caregiver will increase your chances of maintaining a good quality of life for yourself and your family when you're busy improving the life of your loved one. Here are some steps to consider.

Make sure you have information and authority

By starting today, you can make sure you have all the information you need. For financial information, ensure that you know the location of all banking and investment accounts, as well as credit cards, lines of credit and any outstanding loans. You should also create a list of key contacts, such as doctors, neighbours or other people who can help you when caregiving concerns arise.

Two legal documents are essential to give you the authority you need to act should your loved one become unable to make his or her own decisions:

> Enduring power of attorney for property (known as a mandate in Quebec). This document grants the person named the authority to make decisions regarding the incapacitated person's property. This might include, for example, paying bills, writing cheques to cover care or making investment decisions.

> Power of attorney for healthcare (also known as a healthcare directive or living will). This document gives the person named the authority to make decisions regarding the individual's personal care. It often contains guidelines regarding difficult decisions, such as when to forego certain medical procedures or resuscitation.

You should consider having these documents drawn up by a lawyer, to ensure they are accurate and include all the necessary information. Be sure to keep the originals in a safe place, where both you and the person(s) you have been designated to represent can access them if the need arises.

Care options to consider

Becoming isolated is a very real concern, not only for people receiving care, but also for their caregivers. You may want to choose your environment now with an eye to your possible future needs as a caregiver. Consider the community you and your loved one live in. Are there neighbours who can help? Is there adequate public transportation? What facilities or resources are nearby?

CLICK HERE <http://www.rbcroyal-bank.com/retirementresearch-centre/index.html>

The RBC Your CareGiving Planner™ Tool is an interactive program that helps you calculate the costs (In TIME and MONEY) for caregiving.

As Canadians near and enter their retirement years, there is an increasing need for relevant information and innovative ideas to facilitate retirement planning and healthy, meaningful retirement living.

This website combines the University of Waterloo's insights and expertise on healthy aging with RBC's expertise in providing financial advice and solutions for a healthy and rewarding retirement.

Here you will find research, resources, practical tools, and solutions in areas that influence quality of life in retirement including health, leisure, wellness, lifestyle, finances, economics, science, arts and technology.

Our goal is to inform, engage and empower people to learn, understand, and prepare for physical, psychological and financial health and well-being in retirement.

Canadian caregiving facts and figures

- Only 21% of Canadians have planned to be caregivers.
- Fewer women than men have planned for the possibility that someone may become dependent on them.
- Approximately 2.7 million people in Canada aged 45 and over are providing some kind of care to chronically ill seniors.
- Between 2002 and 2007, the number of people providing care to seniors increased by more than 670,000.
- The majority of caregivers (54%) report that they are coping "very well" with their caregiving responsibilities; another 42% say they are "generally okay" with this role.
- About 43% of caregivers are between 45 and 54 years old – a time of life when many Canadians still have children living at home.
- Caregivers are more likely to be women who are employed and married.
- One in four caregivers, or about 675,000 are themselves seniors and one-third of these senior caregivers are of age.

The Grand Adventure

A big Thank You to clients who encouraged me to enjoy my time away in June for 'The Grand Adventure'. You were in good hands with my Associate James and the Branch Manager, Blake Simpson through my absence. While I was in touch by Blackberry (must love technology), it was a relief to return home to no surprises – they must have held to August!

Many of you know the reason for the trip was two-fold – a wedding and a celebration of life. The wedding was for my husbands' nephew Mirco and Elisabetta. A total of 17 Stangherlin's from Canada made the journey over to celebrate. You can see Italians have lots of fun at weddings – Mirco and Elisabetta exited the church to find their car filled with balloons and wrapped in cellophane... the evening continued with many more antics!



I've included a photo of my boys and hubby with a backdrop of the Dolomites in Cortina d'Ampezzo. We made a day trip to this location and learned about its history and visited the Olympic Venues. Cortina d'Ampezzo is a town and in the southern (Dolomitic) Alps and the province of Belluno, Veneto, northern Italy. Located in the heart of the Dolomites in an alpine valley, it is a popular winter sport resort known for its ski-ranges, scenery, accommodations, shops and après-ski scene. After the scheduled 1944 Olympics had been cancelled because of WWII, it hosted the 1956 Winter Olympics as well as various world cup events and motion pictures.

The final photo includes most of the Stangherlin Clan. Mama Olga Stangherlin is missing as we said goodbye to her in May 2011. She left behind 5 sons and 15 grandchildren, pre-deceased by one daughter. We celebrated her life together in her hometown of Rosa, Veneto, Italy.

Once again, a big Thank You from the Stangherlin/Austin Family for giving us this time together.



Something for Everyone

CUT OUT FOR YOUR FRIDGE)

UPCOMING EDUCATION EVENTS

All Presentations at 1PM
RBC DS Boardroom
777A Fitzgerald Ave.

Sept 29th
Tax Efficient Investing in Retirement
Presented by: Justin Monahan
Regional Director - PCP
Russell Investments Ltd.

Oct 6 th
CPP and OAS - The new rules 2012
Presented by: Service Canada

Oct 20th
Power of Attorney - what to know
Presented by : Catherine Miller
Lawyer Charles Allen and Co.

Oct 27th
Estate Planning and use of Executer Services
Presented by: Susan Benesch
Estate and Trust Advisor Royal Trust

Nov 3rd
CPP and OAS - The new rules 2012
Presented by: Service Canada

CLIENTS AND FRIENDS WELCOME

Internet Addiction

Has your Internet usage become Internet addiction?
See if you answer “yes” to any of these questions:

Do you stay online longer than you intended?

If five minutes often turns into an hour, consider what keeps taking up your time. You might be legitimately working – in which case it may be “too much work” versus “too much Internet.”



Do you neglect your work to stay online?

The Internet is full of distractions - and it's easy to spend another 20 minutes chatting, posting vacation photos or poring over the “most watched” on YouTube. Ask yourself if your online time is a break - or an escape.

Do you prefer to stay on the Internet instead of talk face-to-face?

Chatting online and e-mailing can be a blessing for the shy among us. But if you notice you're talking face-to-face, or on the phone, less than before, don't withdraw from the sound of a human voice. Pick up the phone sometimes. Jokes sound funnier and it's better for your eyes too.

Are late-night Internet sessions causing you to lose sleep?

The occasional flame war might be just cause to lose sleep – but how often do you have to double your coffee intake to stay awake on the mornings after? Every day? Several days in a row?

If you feel that your usage is too much, consider taking steps to reduce. Schedule activities for when you would typically go online. Or take a fresh air break every half hour to keep your heart pumping. You'll experience the world around you in ways that the Internet can't mimic – and actually enjoying blackouts now and then.



This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report

is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. RBC Dominion Securities Inc.* and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. ®Registered trademark of Royal Bank of Canada. Used under licence. RBC Dominion S®Registered trademark of Royal Bank of Canada. Used under licence. RBC Wealth Management is a registered trademark of Royal Bank of Canada. Used under licence. ©Copyright 2011. All rights reserved.