

LARA AUSTIN

MINDING MONEY

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Wealth Management
Dominion Securities



For the friends and clients
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Travels, TFSAs, and elder abuse awareness

It has been a while since you last saw my newsletter. For 17 years, I've kept a faithful rhythm and allowed myself to skip this spring. But oh boy, do I have a great excuse!

As usual, January and February was busy with maximizing TFSA contributions for all those who have the ability to do so. As my practice grows, this takes more time—but it is so important for all investors to optimize their “tax free forever” account. The magic of compounding returns means the size of accounts now translate to meaningful tax savings. In the beginning, a \$5,000 TFSA with a return (dividends, interest, and capital gain) of 5% meant just \$250 was NOT being added to your tax filings. Now, an account with a \$90,000 market value at 5% is removing \$4,500 of passive income from your annual return—per person! Not to mention the estate benefit of no probate taxes on death (if you have appropriate beneficiary designations assigned).

Through my first quarter, I fit in as many reviews as I could as I prepared for my family's big adventure (see p.3-4 if you are interested!). Between travel preparations and extra reviews, my brain did not have a lot of room for creativity, i.e. newsletter writing.

Now that things are back to normal (whatever normal is!), I will continue to share with you the issues and reminders that are important to you.

Did you know June 15th is World Elder Abuse Awareness Day? It is an official United Nations International Day acknowledging the significance of elder abuse as a public health and human rights issue. Abuse can be physical, mental and financial. Please take some time to understand what financial abuse looks like (turn to p.2 to start), and ensure the proper tools are in place to protect yourself like up to date [Power of Attorney](#) documents—and report any abuse you see to authorities. I am seeing regulatory changes in the works to help protect our clients along with improved support from the legal system, but these things take time, so it makes sense to protect yourself as much as possible.

In this newsletter you can also read about some of the lessons learned 10 years after the stock market's lowest point during the 2008/2009 financial crisis (p.3). Yes, it's been 10 years!

As always, I'm happy to chat about anything you read on these pages.

Lara D. Austin

Five common signs of financial elder abuse

This past December, a former caregiver was handed a jail sentence for stealing \$260,000 from an elderly Coquitlam couple over a period of 16 months. In January, the B.C. Office of the Seniors Advocate released its fourth annual [Monitoring Seniors Services](#) report, which states there was a 26% increase in financial abuse cases reported to the Vancouver Police Department from the previous year.

Financial abuse of seniors is one of the darker realities of aging. It's a crime that's often not seen by the victim, and sadly often perpetrated by family members, close acquaintances, or other people in a position of trust.

It's important for seniors, as well as their close friends and family members, to be aware of the warning signs of financial abuse and what they can do to prevent it. As we near World Elder Abuse Awareness Day on June 15, here are five common signs of financial elder abuse:

1. Missing valuables

It may be easy to assume misplaced jewelry or cash is the result of an aging mind, but experts say this is one of the most common signs of possible abuse.

2. Unusual banking activity

Banking activities tend to follow normal patterns, and so a sudden



change can be a red flag. Unfamiliar bill payments through an account, requests to make payments on someone else's credit card, or even a sudden increase in withdrawals could all hint at something.

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3. Unexplained property transfers

Transferring property or bank account ownership should be seen as a major red flag. An elderly person could be convinced to sign over the title to their house or perhaps to make it joint with someone, meaning that someone would assume full ownership on the person's death.

4. Unexplained changes to a Will or power of attorney

Financial power of attorney allows a designated person to act on behalf of the client in legal and financial

affairs. It's a very significant designation and any changes to it, particularly when the transfer is not to a family member or long-standing friend, could be a red flag.

5. Sudden new companion

A challenge in spotting abuse is it often occurs in a grey area—such as the appearance of a new friend or romantic interest, and whether the relationship is legitimate. It can be helpful to watch closely for the other four red flags and whether they appear along with the new relationship.

For more information about financial abuse, please visit Canada.ca/seniors.

10 years later

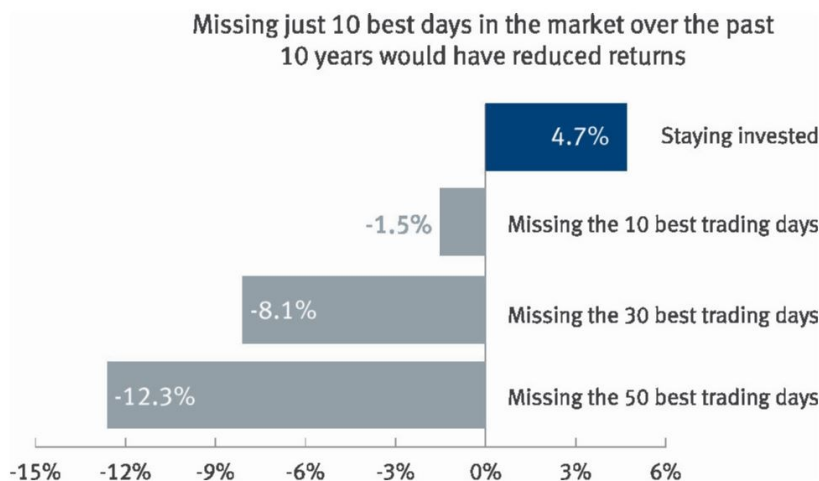
March marked the 10th anniversary of the stock market's low point during the 2008-2009 financial crisis. A decade later, we've learned important lessons for investors looking to make the right choices in the face of volatile markets.

It's the darkest before the dawn

On March 9, 2009, the benchmark U.S. stock index, the S&P 500, hit its bottom. At the time, no one could have known that amidst the panic the market recovery had already begun.

Since then, investors have been rewarded with one of the most stunning bull markets in history: the S&P 500 has advanced more than 300 per cent to the end of November 2018 and delivered a 16 per cent-plus annual return.

While financial crises like the one that occurred in 2008-2009 are extremely rare, there is no avoiding the fact that periodically, markets will experience short-term volatility. How do you manage through the turbulence? Here are a few tips on how to control



Based on the annualized returns of the S&P/TSX Composite Index for 10 years, ending December 31, 2017. Source: Bloomberg, RBC Global Asset Management

the instinct to panic and stay the course to achieve your financial goals:

- **Make a plan – and stick to it.** A properly built plan that aligns your investment portfolio with your unique goals will help you maintain perspective and avoid emotional decisions when volatility hits. It will also help ensure your portfolio remains diversified to help manage risk and enhance return potential through the use of different asset classes, geographical markets, and industries.
- **Don't try to "time" the markets.** As the graph shows, missing out on some of the best days in the

markets dramatically affects your returns. In the short term, markets are mercurial. Over the long term, they tend to steadily climb.

- **Invest regularly.** This allows you to ease into any type of market (rising, falling, flat) and reduces long-term portfolio volatility. Investing a fixed dollar amount on a regular basis gives you a chance to buy more investment units when prices are low and fewer units when prices are high, potentially reducing the average cost of your investment. Equally important is that it provides built in discipline, helping you to avoid trying to time the market.

Our grand adventure

Many clients and readers knew about our once-in-a-lifetime travel plans, so I thought I would share how they went for those interested. Firstly, I can't say enough how wonderful it is to work with Una, my fully licensed associate. After four years working together, she not only knows our clients very well, but it's almost like she can read my mind!

Planning this trip started four years ago. Another family and ours decided to head to Italy for the graduation

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COMMUNITY

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year of our sons. As my husband, Danilo, was born and raised in Italy, this was a good opportunity to visit extended family and friends. Danny and I, our oldest son, his girlfriend, and our youngest son were joined by the other family of three.

Adventures started in the Old City of Dubrovnik, a UNESCO site. As we recovered from jetlag, we spent a couple days walking the Old City walls and visiting museums that helped us appreciate the struggles and sacrifice of the Croatian War of Independence from 1991 to 1995. We drove to Mostar in Bosnia to visit the Stari Most Bridge, another UNESCO site. The aftermath of the Croat-Bosniak War was still evident and, I believe, important for us to see and appreciate.

We drove back into Croatia to visit the Platvice Lakes National Park, walked the lower lakes, and the next day headed to Asolo in Northern Italy. This became home base for a few days as we explored nearby Venice, Danny's birth place Bassano del Grappa (home of the best Grappa!), went to nearby markets, and enjoyed the Prosecco the region is known for. We then ventured to Cinque Terre for another few days and stayed in the little town of Riomaggiore. It is so easy to visit all the towns by train, but we did challenge ourselves with hikes equal to 176 flights of stairs!



WOMEN HELPING WOMEN—In early March I had the pleasure of attending an International Women's Day event at 40 Knots Winery. And what better way to celebrate IWD than by supporting the Comox Valley Transition Society with \$5,000 from the RBC Foundation for the services and programs they offer women seeking help to deal with abuse and violence. I handed out purple roses as a declaration that we care about the health and safety of women in the Comox Valley, and presented the cheque to CTVS executive director Heather Ney (right).

This is where we said goodbye to our youngest son, who travelled back to Canada with our friends via Milan, Italy, so he could return to school. The rest of us carried on to spend a special night in Florence, take a whirlwind tour on the MSC Merganvalia, and visit the amazing locations of Rome, Palermo, Malta, Barcelona, and Marseille. I have limited space here to say more about our incredibly memorable trip, but I am so glad we were able to experience it with our

young adult children.

We were also happy to return and are feeling blessed that we live on Vancouver Island, where we can enjoy a lifestyle here that is second to none. Maybe that is part of what traveling is all about—appreciating where you already are!



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