



- In This Issue -

Turmoil - New Reality Saving Rate Increases Credit Card Confusion Dealing With Inflation “Paper” Money Problems?

Written by: Linda and Melanie Cartier and John Lindsay

525-PLAN(7526) - www.financialdecisions.ca - plan@financialdecisions.ca

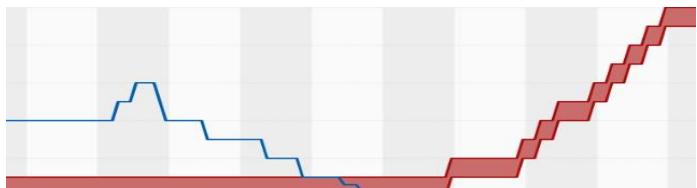
Turmoil - New “Reality”



These are times of uncertainty and anxiety - the relative stability of former years has been **upset** by war in Ukraine, wild weather events, stock market turmoil, inflation and threats of recession.

What you can do individually is limited. However, you can take advantage of the current situation by investing available funds in the market while prices are low and in effect **buying on sale** to realise gains when recovery takes place as it always does - just a matter of time.

Some Alternatives to Consider:



After many years of low returns, Guaranteed Investment Certificates have gone up with the increase in government interest rates which is good for those wanting a **secure return** on their savings either for short or longer term, depending on need.

On a daily basis we review the rates available and **can select** the best, all fully secured, plus can also recommend better returns on savings accounts available through Manulife Bank which we can also arrange.

Credit Card Confusion:

The old saying that you “never get something for nothing” has been recently revealed with respect to Credit Card charges. Merchants have been given the authority (except in Quebec) to **pass along** through disclosure to customers the fees they pay for transactions which are on average around 1.5 % but can go higher depending on the points and rewards you receive from using your Visa or Mastercard for purchases in store or on-line.



Canada has some of the **highest** of these fees in the world (no surprise like internet costs). Will some merchants pass along these charges to customers? It depends on the merchant. **How to avoid?** Use cash or debit, but then you may lose the benefits of credit card points or guarantees on purchases. It is up to you to determine if it is worth it. A two percent “fee” on a large purchase such as a fridge for \$1,500 would be \$30. You need to **balance** these costs compared to the value of using the card, especially if there is an annual fee as well. As for using cash or debit, some people do not have the ready cash on hand or in their bank account and rely on “credit” to make payments.

It has been suggested that the government set a **lower rate** on these transaction fees. The European Union has set fees at just 0.3 percent and the credit card companies are still making profits. If you are concerned perhaps a call to your local MP in Sudbury or Nickel Belt could help?



Dealing with Inflation

From 2 and 3 percent inflation to over 8 percent! While these current high rates will likely go down, but who knows when, probably later rather than sooner. It can cause **some concern** with you and your family's cost of living.

What to do? Perhaps the best idea is to **watch your expenditures** more closely. We know many are very aware of where the money "goes" but there are those of us who do not pay that much attention. Keeping a **monthly record** is a good idea - you might be surprised how much is spent and where and what areas can be "adjusted" to some extent.

Energy costs are going up. Filling up the gas tank and heating your the home is costing more. Driving less for work may not be an option but some other travel needs can be accommodated by **fewer trips?** For some, "downsizing" to one vehicle can be a consideration. Turning down heat at night or during the day if at work can help plus wearing warmer clothes at home with the temperature a few degrees cooler.

Going out to eat is a pleasure but becoming more expensive and savings can be realized by eating **more meals at home.** For home meals, expensive cuts of meat can be substituted with chicken or perhaps veggie meals more frequently.

We don't want to deprive ourselves too much, but smart phone plans can be expensive - try shopping for **better rates.** Also the costs for streaming services if you have several can soon mount up. Some folks are **cancelling** their regular TV service and even land line phones.

Debt can be **really expensive**, especially if on credit cards where you make only minimum payments. Pay off any outstanding balances **each month** - it makes a difference as interest is charged on the entire balance owing every month.

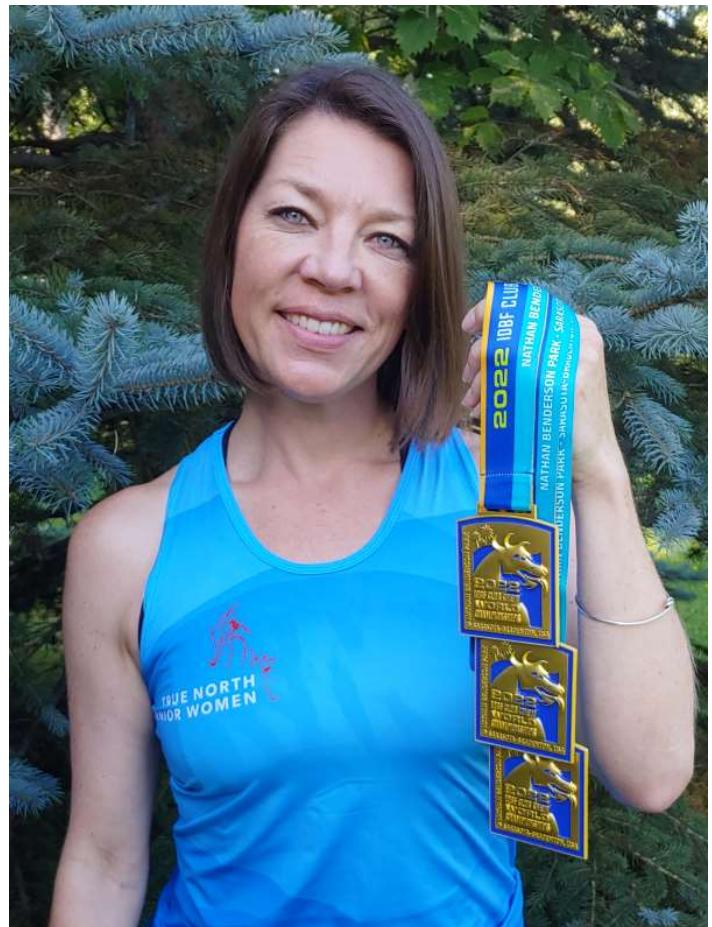
If you have any money saving ideas **let us know** and we can pass them on in future newsletters.

Check your money - legal tender

A women in Sudbury, as reported in local media, tried to pay for a coffee with a **paper** five dollar bill, a real bill but as it was not the plastic variety now in common use it was refused, the young clerk having never seen one before thought it was "fake"

Old paper bills are still legal tender except for the \$1, \$2, \$25, \$500 and \$1,000 variety, but you cannot use them in trade. However, you can redeem or cash them in at your financial institution. This is perhaps **a good idea** if you have any other denominations of "paper" money, unless you would like to save them as mementos to show to the grandkids.

Paddling to International Gold



With many years committed to her favourite sport, paddling dragonboats, locally and nationally, she joined the team "True North" based out of Toronto. They went to the **Dragonboat International Federation World Championships** in Sarasota, Florida in July with teams from all over the world. Her team **won gold in all events**, the 2,000 metre, 500 metre and 200 metre events. Her achievement was covered in all local media. Melanie is looking forward to participating in other international events.