

# Personal financial management to the end of the decade



DIAN COHEN

None of this will be new to readers of this column. I am reiterating it today because the future is more uncertain than what we usually have to deal with, and my gut feeling is that having a plan in place will be helpful – soon.

The economic crystal ball has never been as transparent as quartz or Plexiglass, but in recent years is more comparable to looking through a snow globe with blizzard conditions. There are other reasons to be wary – it’s not just the economic outlook that’s semi-opaque. It’s difficult to see where the exponential trajectory of new technologies – artificial intelligence (AI), generative AI, 3D printing, drones, robotics, synthetic biology – is taking us. And the socio-political landscape is changing in Canada as around the world, with vocal groups consolidating to split our attention and support – movements that include the rights of Indigenous peoples, climate change

policies, sexual orientation and gender identity.

Herewith some imaginable economic backdrops for the next few years:

- Inflation remains above 2 per cent, interest rates and prices stay at today’s levels. This is where we are today. Mortgage rates stay elevated, grocery prices stay elevated, your dollar doesn’t go as far.
- Inflation rises, interest rates rise. Rising trade barriers, ageing population, the transition from fossil fuels to renewable energy, an inflationary psychology are all reasons to think inflation will be harder to manage.
- Inflation falls to 2 per cent, interest rates gradually fall. The rapid rise in interest rates over the past year does the job it was intended to do, slowing economic growth without causing a recession. This is what believers call the Goldilocks Effect.
- Stagflation takes hold, sub-par economic growth, prices stay elevated. In this scenario, unemployment rises, prices rise, our purchasing power falls, and so does the nation’s gross domestic product (GDP). A less-than-wonderful outcome.
- Recession takes hold, stock markets fall significantly. Believers in this view think central bankers have overdone their job but it’s taking longer to show itself. Even the rich feel poorer. In addition, China, which has led world growth for decades, is in the midst of its own deleveraging. Prices are falling

there, and as the world’s second-largest economy, it could export that deflation or disinflation to the rest of the world.

I have not included scenarios at either end of the catastrophic continuum – depression or hyperinflation. We’ve never experienced hyperinflation in Canada, defined as out-of-control price increases, sometimes as much as 50 per cent a month. (Argentina and Brazil are experiencing hyperinflation right now.) The greatest depression here was between 1929 and 1939, during which banks collapsed, companies went bankrupt and millions lost their jobs.

My gut says it’s prudent to spend some time considering the possible tweaks you might make in your own circumstances so that you can weather whatever comes. Clearly, if the Goldilocks economy is what we get, you’ll be way ahead of the game.

Here are some areas you may want to review as you contemplate each of the above scenarios :

Your income – how secure is it? What do you need to do to ensure its security?

Your budget – do you have one that you revise every year? Is it up to date? Does it need to be tweaked?

Your mortgage or rental arrangements – is your mortgage locked in? For how long? Will you suffer if rates go down but you’re locked in? How about your rent? What is the owner’s record of rate hikes? What is the likelihood of renovation? What are your options?

Your insurance – You may want to review all types of insurance – property,

disability and life. Property insurance is local: are you in a flood zone? Does your insurance cover the kinds of natural catastrophes that are becoming more common in your area? How much have your rates already risen? How much is your deductible? Can you afford to raise it? How is your health? Should you investigate disability insurance? Do you have or need life insurance?

Your debt – How much debt are you carrying? Credit cards. Car loan. Is any of your debt tax-deductible? (It is if you’ve borrowed money to make money.)

Your savings/investments – Review your short, medium and long-term goals for the future. Ensure that your first savings goal is to pay off all debt that is not tax-deductible. Understand your own risk tolerance. Don’t invest any money in the stock market that you will need within five years.

Consider setting aside time to learn about things you don’t know regarding any of these topics – it’s never been easier to do than it is right now. September is as good a time as any to start this exercise – you’ll have a jump on the usual end of the year chores financial advisors suggest. Each of us will be affected differently by the political, social and economic challenges that will play out over the next several years. Your foresight in planning will temper how well you and your family meet these challenges.

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# Memphrémagog–West sports access program brings sports opportunities to low-income families and individuals



THE SCOOP  
MABLE HASTINGS

This fall 2023, the “Acces-Loisirs Program” will strive to bring access to sports, recreation and cultural program participation to the Memphremagog West area to those who may not otherwise be able to partake due to costs etc...

The Acces-Loisirs Program is the result of a collaboration between several community partners in the Memphremagog-west territory that is aiming to offer low income families, children, individuals and seniors who meet the eligibility criteria, free places available in sports, culture and outdoor

recreation activities. Community partners include: the Municipalities of Eastman, Austin, Bolton-Est, Sainte-Etienne-de- Bolton, Stukely-Sud and Potton as well as CAB Missisquoi North, CIUSSSE Memphremagog, Club Missisquoise, Intermunicipal Leisure committee, Ecole Val-de-Grace, Ecole Baluchon and community organizations in culture, recreation, outdoor and sports.

The program will promote free access to leisure activities, collaboration between community partners to offer a variety of leisure activities, targeting children, adults and seniors living in low income situations. Offering free access to leisure activities during the September, January and March registration periods, free access to events and shows with ticket draws throughout the year; to be eligible for draws you need to fill out the cultural form during the registration period.

To register for the Acces-Loisirs Program you must go to one of the registration locations listed below with a proof of income. To be eligible, family income before taxes must be below the amount indicated in the table that the registers will have on hand to determine your eligibility.



1 person.	29 380,00 \$
2 people.	36 576,00 \$
3 people.	44 966,00 \$
4 people.	54 594,00 \$
5 people	61 920,00 \$
6 people.	69 835,00 \$
7 or more people.	77 751.00 \$

This will be determined with discretion and respect and you will be advised of your eligibility before registering for possible sports, leisure and cultural activities with spots available.

To register, the following locations and sign-up times have been organized for September.

Missisquoi North Volunteer Centre



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(CABMN-Potton) 314B Principale, Mansonville, 450-292-3114, Monday Sept. 11 from 1 p.m. to 3 p.m. and Tuesday, Sept. 12 from 6 p.m. to 8 p.m.

Club La Missisquoise, 25, rue Eastman, 450-297-4541, Monday, Sept. 11 from 1 p.m. to 3 p.m. and Tuesday, September 12 from 6:00pm to 8:00pm.

This is a new initiative and there is a strong hope by all involved that this will provide access to vital programs that improve health, encourage participation and adds to the well-being of all. While there may be glitches to iron out, organizers are proud to be initiating this type of program that promotes inclusion and access.