



## *CONTINUOUS SAVINGS PLANS EASY WAY TO INVEST*

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Did you “park” your RRSP contribution in money market funds or term deposits? It seems like the easy thing to do when you’re looking for the quick fix of a tax receipt. Unfortunately, with your RRSP money “parked” in money market funds or term deposits, you are really not moving at all. With today’s low interest rates, your investment will not keep up with inflation-----you are simply preserving your capital. However, Canadians who are anxious to make progress on their RRSPs, should consider a Pre-Authorized Contribution Plan (PAC) that spreads contributions over the entire year.

RRSP decisions should never be crammed into a one or two month period or at the last minute. A pre-authorized contribution plan is an easy way to get into the habit of forced savings because contributions are automatically deducted from your bank account or from your payroll in the case of a group plan. At first, the idea of investing a set monthly amount may seem daunting but it shouldn’t be painful (contribute an amount with which you are comfortable). Once you’re in the habit of contributing regularly, you won’t even notice.

Remember, retirement planning is a **long haul** proposition and over your investment lifetime you’ll have periods when you’ll cruise along some smooth stretches and periods with some ups and downs. Your PAC will keep you headed in the right direction thanks to “dollar cost averaging”...a fancy name for a simple idea. Simply, it means that your fixed monthly dollar contribution buys more mutual fund units when prices are lower and fewer units when prices are higher. Over time, the strategy helps you enjoy higher potential gains.

Instead of making that last minute contribution, get your money working for you all year long and throw that tax rebate into next year’s RRSP contribution. Even though you realize you’re investing for the **long haul**, be sure to invest based on your objectives and your risk tolerance. If you are interested in pursuing this further you should discuss your options with a qualified person at your financial institution or a financial advisor.