Beaubear Credit Union Newsletter

October 2013

Food for Friends

Beaubear Credit Union has partnered with 95.9SunFM for FOOD for FRIENDS, a food drive for the Miramichi Community Food Bank. On Saturday, October 5th from 9am-3pm you are invited to join us at the "Action Corner" to Stuff A Bus. We will be accepting donations of non-perishable foods items in an attempt to stuff a Miramichi Transit Bus. There is an account set up at the branches to accept cash donations.

The food bank has provided us with a list of most needed items: potatoes, canned vegetables, canned fruit, canned tomatoes, canned milk, canned fish/meat (tuna/ham), spaghetti, macaroni, peanut butter, Kraft dinner, cereal, jam, canned spaghetti/pasta, canned beans, jello, tea and soda biscuits.

Please join us for this fun event for the Miramichi Community Food Bank.

International Credit Union - Thursday, October 17

CREDIT UNIONS Unite for Good™ A BETTER WAY

You are invited to stop by our branches on Thursday, October 17th to celebrate International Credit Union Day with us. We will be serving coffee and mini cupcakes. The day is recognized to reflect upon our credit union history and to promote our achievements. It is a day to recognize the hard work of those working in the credit union industry and show members our appreciation. As of 2012 there are 55,952 credit unions in 101 countries with 200,243,841 members. Canada has 771 credit union with 10,229, 741 members(2010). *Let's Celebrate!!!*

Golden Hawk Youth Night

Golden Hawk Youth Night is held every Friday night from 6pm-9pm throughout the school year. It provides youth from grades 5-12 a place to socialize with their friends while having the opportunity to participate in a variety of activities. Youth will have access to the gymnasium and youth room area, they can play basketball or floor hockey. Youth can also enjoy playing pool, Guitar Hero, Xbox, Wii. This night is supervised by full and part time staff of the Community Wellness and Recreation Department. The cost is $3.00 user fee with the exception of some special event nights. Beaubear Credit Union sponsors a special event night once a month that offers planned activities. The schedule of events will be available on the Beaubear Credit Union website.

Government Direct Deposit Information

The Federal Government asked our credit union to help with their initiative to convert all of their payments by cheque to direct deposit by 2016. Information is available in the branches or you can visit the following link on our website : http://bit.ly/14EBI1V

"Every time you find humour in a difficult situation, you win." ~ Anonymous

focused on me

Living Longer: Five financial realities Canadians need to face

Our thinking about personal finance needs to catch up with our increasing lifespans.

Making it to your late 80s is now routine. New data from the Canadian Institute of Actuaries shows a 60-year-old man is projected to live another 27.3 years, which is 2.9 years more than previous estimates; the average woman of 60 has another 29.4 years – an increase of 2.7 years. Here are five financial realities of living longer:

1. Young adults may have to choose between a house and retirement

Today's college and university graduates are savvy enough about money to know they need to start saving as soon as they're able. Between student loans and a weak job market for young adults, that's not easy. But there's another issue that hasn't been much talked about: Should young people use their savings for the down payment on a home, or for retirement?

A typical reply would be that they should save for a house, then retirement. But with houses as expensive as they are now, there may not be much money for tax-free savings accounts and registered retirement savings plans after paying household expenses. Future pay raises won't solve this problem. Today's home buyers will need their salary increases to cover higher mortgage costs once interest rates rise. Question for further study: Will renters enjoy a better retirement in the decades ahead than home owners?

2. The best careers offer a glide path into retirement

In a world where it's common to live to age 90, it will be common for people hitting the normal retirement age to work after stepping away from full-time employment. It may be the need to stay engaged that prompts people to seek work, or it could be insufficient retirement savings. Either way, they'll be seeking work or consulting opportunities that allow flexible hours and decent pay. Retirement can be a time to reinvent yourself, but let's recognize that it will take years to get your new career going. The quickest way to find work in retirement is to draw upon your contacts at your old job or in your profession. Everyone 50 and older should be thinking about this.

3. The old "100 minus your age" formula for setting an allocation to stocks is dead

If you're 50, this formula would dictate that you have 50 per cent of your investment portfolio in stocks and 50 per cent in bonds. This may not be aggressive enough to build enough retirement savings to last 25 or 30 years after retiring at 65.

A more effective way to divide up your portfolio would be to subtract your age from 110 to get your allocation to stocks. A case can even be made for using 120. Either way, many investors will have to find a way to get more comfortable with the stock market. Relying on bonds and guaranteed investment deposits likely won't get them where they need to go.

4. This is the dawning of the age of annuities

Sold by life insurance companies, annuities offer a lifelong stream of income. Money comes every month until you die, regardless of what the markets are doing. And yet, too many people give no serious thought to adding annuities to their mix of retirement investments.

Annuities may not produce the best possible return on your invested dollars, but they compensate with their zero-stress ownership experience. What a perfect complement to your more aggressive investment portfolio.

The insurance business seems ambivalent about annuities, maybe because agents make more money selling segregated funds and guaranteed minimum withdrawal products. But both individuals and advisers should give annuities more thought. That's especially true for people in families where there's a history of long lifespans.

5. You have no choice but to save more

Living longer puts a strain on your retirement savings that you can address in advance by working longer (see point No. 2), investing more aggressively (point No. 3), lowering your expectations for a retirement lifestyle or saving more. Plan to do some or all of these, but realize that saving more is the option that gives you the most freedom to do as you please.

Another reason to save more is that the government and employer role in paying for retirement is declining. That's not to say we won't get the payouts we expect, although you can't rule out anything. More likely are takeaways along the lines of what the federal government did in the 2012 budget to contain rising Old Age Security costs. Starting in 2023, the age at which OAS benefits begin starts to rise gradually to 67 from 65.

CARRICK, R. (2013, August 19). Living Longer: Five financial realities Canadians need to face. Retrieved from The Globe and Mail
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Branch Information

Water Street Branch
376 Water St
Miramichi NB E1V 3V4
Tel: 506-622-4532
Fax 506-622-5008

Newcastle Branch
202 Pleasant Street
Miramichi NB E1V 3V4
Tel: 506-622-7709
Fax:506-622-5832

Branch Hours
9:30-4:00 Mon, Tue, Wed
9:30-5:00 Thurs, Fri

CONTACT INFORMATION
Andy Richardson
Chief Executive Officer
506-622-9322

Toby Leblanc
Newcastle Branch Manager
506-622-6919

Tosha Hamilton
Water St Branch Manager
506-622-9326

Lorie Ann Richard
Account Mgr. Business Banking
506-622-9318

Kyla Mazerolle
Personal Account Manager
506-622-6916

Cathy MacDonald
Personal Account Manager
506-622-9321

Bob Hillier
Wealth Consultant
506-622-9390

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