

# Thinking about Investing~ Here's what you should know

## ~Part 2~



We have previously discussed the difference between saving and investing. Here are some details on how to establish an investment strategy

### Step 1: Establishing your investment goals

Your first step as an investor is deciding on what you would like to achieve. You may have financial goals – to make a down payment on a house in two years, to help pay for your children's education in ten years or simply to earn an optimum return from your current investments. If you are working, you need to plan for your retirement.

The answers to the following questions will help you to establish your investment goals:

- How much money do you have to invest now?
- Will your employment income allow you to invest additional money in the future? How much? Are you confident that will continue?
- What are your monthly financial obligations, and how much do those obligations change from month-to-month or year-to-year?
- Do you have other valuable assets that will play a role in your financial future?
- Do you have any outstanding debts that you would like to pay off?
- Do you plan to make any major purchases in the future?
- Do you need money from your investments each month to supplement your regular income? If so, how much?
- Do you have dependents to care for, and will their needs be changing overtime?
- What are your life and property insurance requirements?
- Are there income tax considerations that are particularly important to you?
- Are you a participant in a registered pension plan?
- Do you expect to inherit money at any point in the future?
- How much money would you like to have readily accessible in case of emergency?



These questions and others will enable you to have a clear understanding of your financial situation and thereby help to clarify your investment goals. The idea is to pool all incomes then subtract all obligations and then, depending on the disposable income left, decide whether you want to save or invest.

**Did you know that we do outreach sessions? Get more information on our Investor Education programme by contacting the Communications Unit at 624-2991 Ext.1275 or 1259.**