



Finding Opportunities to Change Behaviour

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Today's Presentation

- Opportunities for Change
 - Based on work with the Investor Education Fund
- Three opportunities
 - Youth – Getting ready for the next step
 - Parents – Planning for the future
 - Retirees – Adapting to Retired Life
- Summary & Conclusions



What People Want to Know

People want to know just enough...

To make a decision they must make...

Due to a life event and ...

Be comfortable with their choice.

... This is less than you think they should know!



Triggering Events for Learning

HAVE MONEY

1. Get a new job
2. Inheritance
3. Windfall from business/employ
4. Paid off a mortgage
5. Tax-driven deadline

NEED MONEY

1. Get a mortgage
2. Get a student loan
3. Major purchase (e.g., auto)
4. Business start-up
5. Parent requires financial aid

RESTRUCTURE

1. Retirement
2. New baby
3. Child leaving home
4. Death in the family
5. Divorce/separation
6. Disability

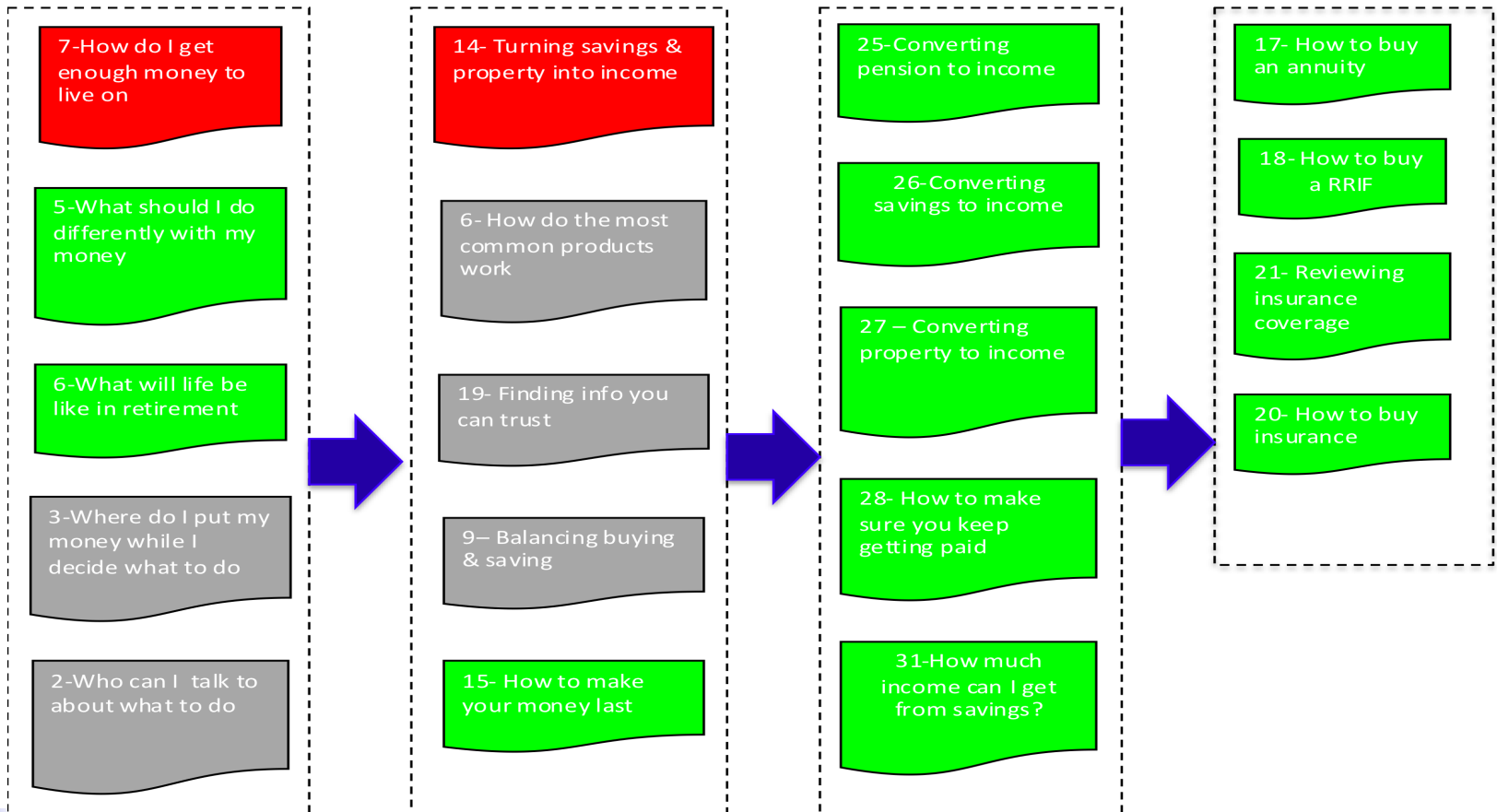


Retirement

Adjusting to Retired Life



Research Found Learning Needs





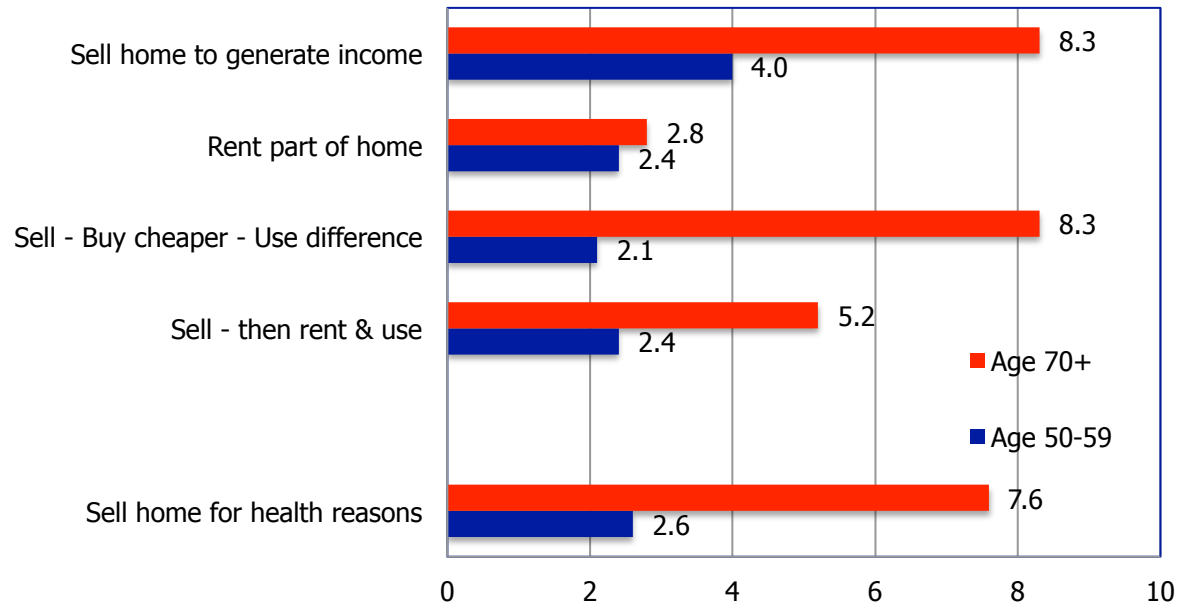
Converting Home Equity into Income is a Sign of Challenge

- 77% of Canadians over Age 50 own homes
 - About 1/4 in debt at retirement (~\$70-80k)
 - Only 1/4 have savings worth more than home
- By Age 70...
 - 7% have moved for health
 - 2 out of 10 have used home equity to get income
- Deal with retirement realities ~ 5y after retirement
 - This is when lifestyle desires come into inescapable conflict with economic and health realities
 - More need to use home to generate income
 - For every person that acts there are 5-10 thinking about it



How Do Homeowners Act?

Homeowner Actions





Is your retirement plan adding up?

As Canada's population ages and household debt level increases, recent research¹ shows that for homeowners aged 50+, the answer may be no.



RETIRING WITH MORTGAGE DEBT

24% of homeowners expect to have debt on their principal residence at retirement

24%



RUNNING OUT OF MONEY MORE QUICKLY

50% of homeowners expect to use up their life savings within 10 years of retiring

50%



NOT LOOKING AT THEIR HOME AS POTENTIAL RETIREMENT INCOME

41% of homeowners not willing to consider:

- downsizing
- selling or renting
- a home equity line of credit
- renting part of the home
- a reverse annuity mortgage

41%



Get positive about your retirement plan with:



Retirement cash flow calculator



RRSP savings calculator



Retirement lifestyle quiz



Pay down debt or invest calculator

JOIN THE DISCUSSION

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What Tools Help Learning?

- Learning Modules Get Varying Interest
 - Learning “chunked” into 2-5 minute pieces
 - Step-by-step action guides
 - Quizzes to stimulate interest – Retirement lifestyle
 - Simple case studies – Stories of people “like you”
 - Expert videos
- **Tools & Calculators Get Most Attention**
 - Retirement budget worksheet
 - Retirement cash flow calculator
 - Retirement cash flow planner
 - Investment recovery calculator



New Baby

The Start of Future Planning

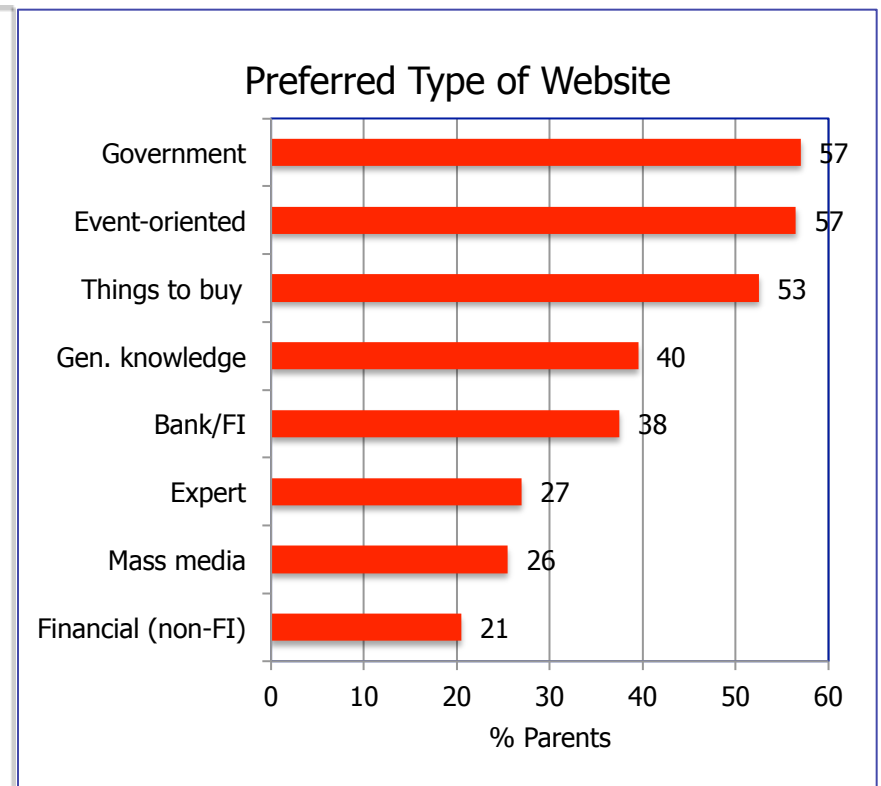
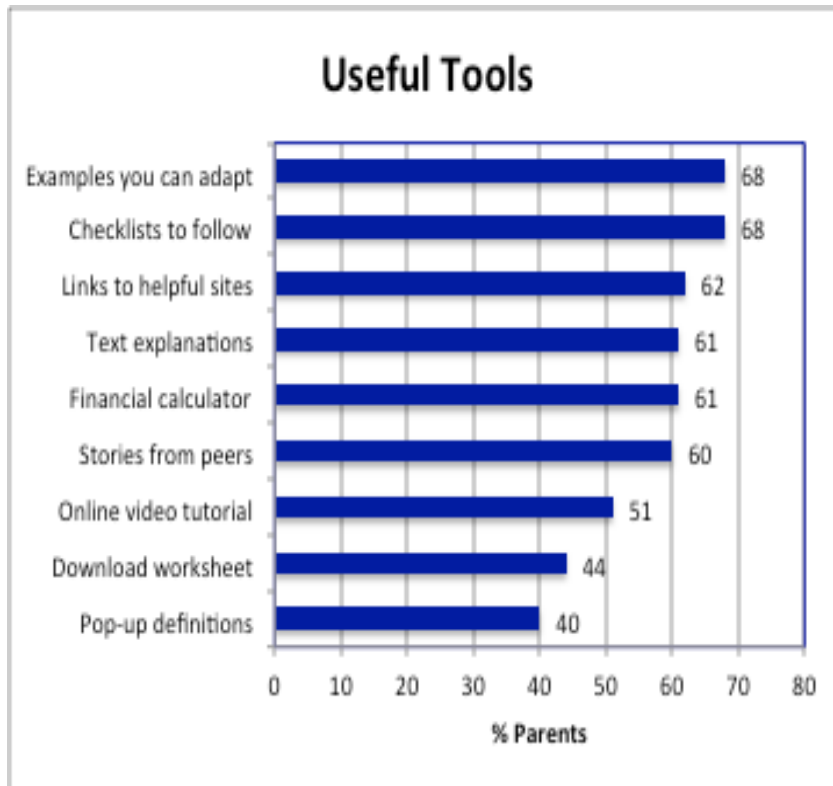


Research Finds Top Questions

1. How do we put away money for the future?
2. How can we save for our child's education?
3. How do we run our house on a tighter budget?
4. How do we pay down/consolidate debt?
5. What does it cost to have a baby?



And How to Respond

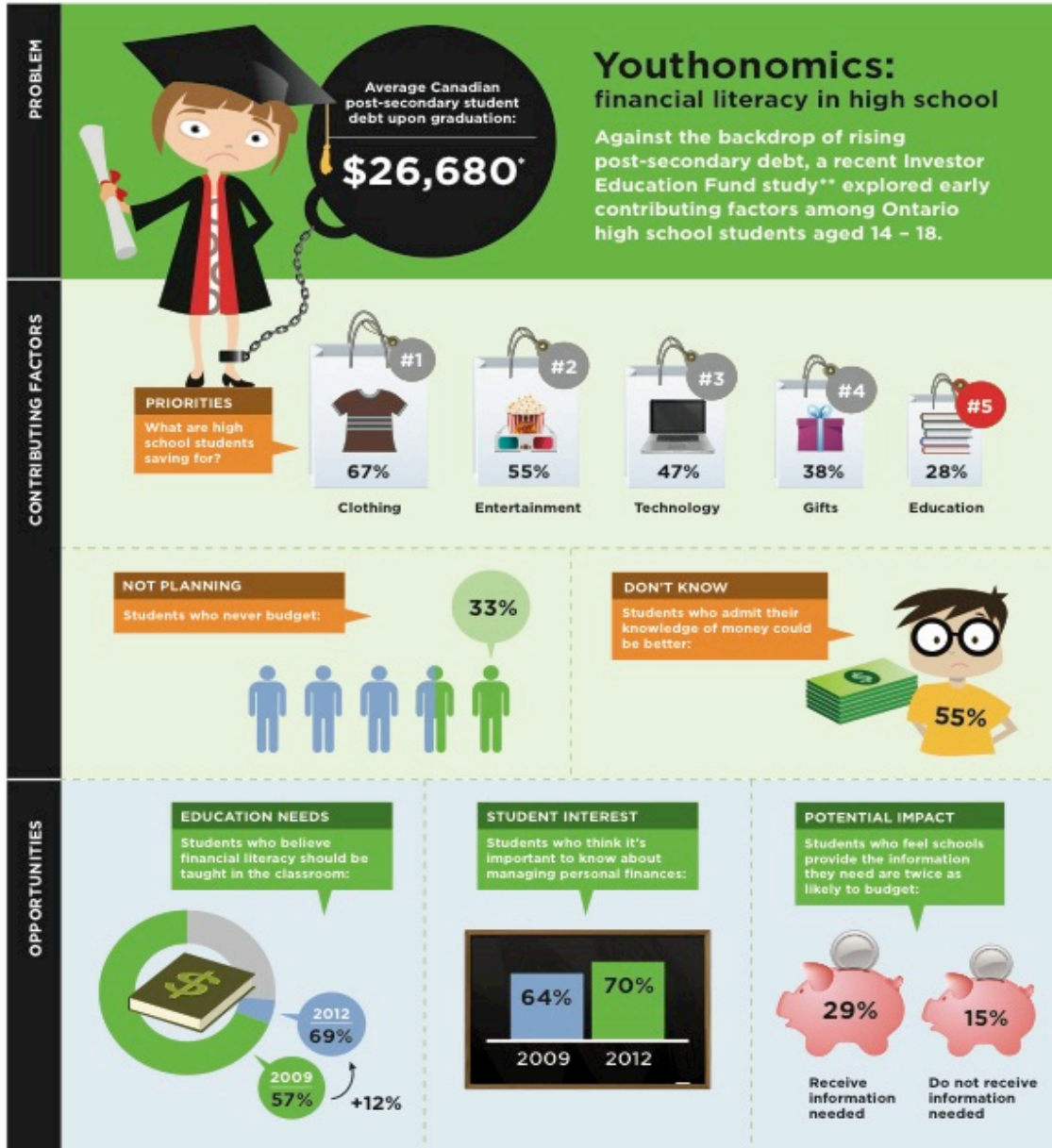




Child Leaving Home

This Time from the Youth Perspective

Life after Secondary School



*The Canadian Council on Learning. "Challenges in Canadian Post-secondary Education: Monograph 3." September 2010.
**Investor Education Fund. "Youth Financial Literacy Study 2012." August 2012.



Much Already Done

- Program in school curriculum
- “Funny Money” program
- Life After High School “jump-off” page to learning sources
- Student debt calculator
- And more



Summary

- Every learning opportunity has key questions
- Find questions
- Understand learning habits of the group
- Create learning that engages
- Seek publicity to draw people to the site
- Continuously adapt



Thank You

The Brondesbury Group

www.brondesbury.com

Investor Education Fund

www.getsmarteraboutmoney.ca