

Brad Brain: Financial literacy resources

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Smart Money



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I noticed that there is a bit of a theme that has been running through the articles I have been writing recently. I did not strategically plan this, but at the same time, I am not surprised to see it. It's something that I comment on often: the value of professional financial advice.

To be clear, my perspective on the value of professional financial advice is unwavering. But, for whatever reason, sometimes people are looking for other options. And there is nothing intrinsically wrong with that. If we were all the same then Ben and Jerry's wouldn't need to offer 60 flavours of ice cream.

Obviously, there is no shortage of financial information and opinions out there. Less obvious is which of the myriad of sources can you take seriously.

I remember an incident where I stumbled across a social media post from a second-degree connection. This person was asking her Twitter friends if she should take her money out of her RRSP to go travelling, now that she was unemployed and had some free time.

Why do people think it's a good idea to get their financial advice from their friends on Twitter? I am not referring to her actual decision - I don't have sufficient information to know if she should take the money out of her RRSP or not - but rather to her decision-making process.

If she had talked to a professional financial planner the conversation should have included things like tax consequences of an RRSP withdrawal, and how she was fixed to cover her living expenses, what her Great Goals in life are, and where is her income going to come from in retirement if she spends her RRSP today.

But she went another way, and she asked her equally uninformed friends. And the advice she was getting was factually incorrect. Sometimes people will hear a story like this and say, "Yeah, but what if..." But, to be clear there is no other version of this particular story. She asked people who did not have any more expertise than she did, and she got a lot of wrong answers in response.

I am most definitely not saying that all people should rush out and make their own important financial decisions without professional guidance. Just as not all people should try to fall dangerous trees, or ski the black diamond run, or cut their own hair. If you don't know what you are doing, you might not get the result you are hoping for.

Having said all that, Ben and Jerry's does have 60 flavours. So for the people who do have the time and interest and temperament to do some of their own homework, here are some resources to check out.

The Government of Canada has an abundance of information on a wide range of personal financial topics. Some people might be surprised that I list the government as the first suggested resource, and there is no question that sometimes it can be hard to get the information you are looking for from government resources, but that's not the case here. They did a really good job on this.

You can explore topics like managing your money, retirement planning, education planning, taxes, financial literacy, and lots more, complete with various calculators to help you make informed decisions, and it is laid out in a way that is easy to understand. It's really good. Check it out at: canada.ca/en/services/finance.html.

If you are looking for information that is more specific to investing, check out the Ontario Securities Commission website: getsmarteraboutmoney.ca.

If you could take everything you see and hear about money at face value then I would be writing on some other topic right now. Unfortunately, you can't. Check out the BC Securities Commission website at investright.org for more information on frauds and scams.

Financial literacy is important for everyone. You don't need to resort to asking your Twitter friends. There is no shortage of useful, easy to understand, accurate information out there, if you look in the right places.

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