

## Seniors get into money trouble by saying 'yes' too often



ROEL DAVID SMART/ISTOCKPHOTO  
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In our slow-growth economy, seniors are increasingly feeling pressure to be financial problem-solvers for family members. They're helping their kids buy houses, kicking in money to help their grandchildren and, in some cases, helping to support their own elderly parents.

Now you understand one of the strangest twists in the story of rising household debt in Canada – seniors are among the leading segments of the population in adding debt. Insolvency expert Scott Terrio of Cooper & Co. was recently asked for his thoughts on the money problems of seniors. He listed five money traps seniors fall into, including what's described as multi-generational funding.

Mr. Terrio says the cost of helping multiple family members often goes beyond what most seniors can handle. He advises seniors to consider just saying no if asked for money. In his view, seniors get into money trouble by saying yes too often.

His other thoughts for seniors – don't co-sign any loans for family members that you can't afford to carry yourself, budget for medical expenses not covered by provincial health care plans, set aside money for taxes and be careful with home equity lines of credit.

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### **Rob's personal finance reading list...**

#### **Can you afford to spoil yourself?**

Ground rules for deciding whether you can afford a luxury like an epic vacation. Appropriately tough-minded, which means the answer for many people using these guidelines will be negative.

#### **The wealthy renter**

A personal finance blogger reviews a book called The Wealthy Renter, which is well worth a read if you want to hear a well laid-out case for renting as opposed to owning a home.

#### **Everything you wanted to know about dividends but were afraid to ask**

If I had to pick the most dominant investment trend of the past 10 years, it would be the strong preference of many investors for dividend stocks. Read this useful primer of dividend investing if you want to understand what all the fuss is about.

#### **Three ways to stop wasting money**

This list is aimed at millennials, but it applies to everyone who is open to budgeting as a way of exerting more control over the money going in and out of their chequing account.

#### **Today's featured financial tool**

The security breach at Equifax highlights the importance of looking at your credit report periodically to ensure you have authorized all accounts under your name and that no one has been looking at your report without your permission. One way to do that is to sign up for a new service called Credit Karma, which offers free access to both your credit report and your credit score (basically, your rating as a borrower). Credit Karma makes money by featuring credit cards and loans that may be of interest. If you bite, Credit Karma gets paid. Your information is not sold to marketers.

#### **Ask Rob**

**The question:** "I am starting to invest in index funds as a way to get into the market. Currently, my portfolio is under \$50,000. I do not bank with TD and therefore cannot buy their incredible e-series funds. Do you have any recommendations on Canadian and international equity funds?"

**The answer:** You can buy TD's low-cost e-series of index mutual funds by setting up a TD Direct Investing account. You don't need to bank with TD. A portfolio of e-series

funds is ideal for accounts of your size because you can add money at any time without paying any commissions, and the minimum purchase is just \$100.

In case you missed these Globe and Mail personal finance stories

- Think twice, wealthy family, before cutting the black sheep out of your will
- How the wealthy reduce the tax-man's take
- Five dividend stocks with a growth catalyst (for Globe Unlimited subscribers)

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