



How financially savvy are you?

Canadians as a whole are very smart, educated people. More Canadians have a post-secondary degree than do people in any other country. But our “money smarts” are lacking (see the Financial Literacy Quick Facts sidebar).

Whatever you call it — financial literacy, financial savvy or money smarts, it’s something you should pay attention to every day. Because your money smarts can affect your quality of life.



What is financial literacy, or savvy?

Broadly, it means knowing:

- basics of everything from how interest rates work, to budgeting
- how money, credit and debt management; and saving, spending and investing, work together
- how to make sound financial decisions and shape your future
- how to plan for retirement

Financial Literacy Quick Facts

- The federal government launched cross-generational national financial literacy strategy called **Count me in, Canada**, in June 2015. Learn more at canada.ca/en/financial-consumer-agency/programs/financial-literacy
- Canadians owe \$1.69 for every \$1 of disposable income*
- Household debt in Canada is at record highs. It’s up to \$2 trillion. In 1990, it was \$357 billion.**
- A 2015 survey of more than 55,000 American millennials by Price Waterhouse Cooper found only 24 per cent of 23-to-25-year-olds have even the most basic financial knowledge they need. A report by CIBC in 2015 found 82 per cent of Canadians 18-34 feel they’re lacking financial and investing knowledge.
- Financial literacy isn’t part of the education curriculum in every province, nor is it taught in every grade in many provinces. Currently, only British Columbia and Prince Edward Island begin formally teaching children financial literacy right from Grade 1.

* Moody’s Investor Service, August 2017

** According to a Fraser Institute report, July 2017

Turning to a professional financial advisor is a smart decision regardless of your level of financial savvy.

- ▶ **Look for** an advisor who’s a member of Advocis, The Financial Advisors Association of Canada. Find an advisor at advocis.ca.
- ▶ **Advocis members** are professionals who must adhere to a strict code of conduct.
- ▶ **Advisors with** professional designations (such as Chartered Life Underwriter, or CLU) are highly qualified. They have expertise in everything from general financial planning to wealth creation strategies.
- ▶ **A professional**, qualified advisor has your best interests in mind. He or she will work with and guide you, so you make the best decisions about your financial interests at every life stage.

The Essentials of Financial Savvy

