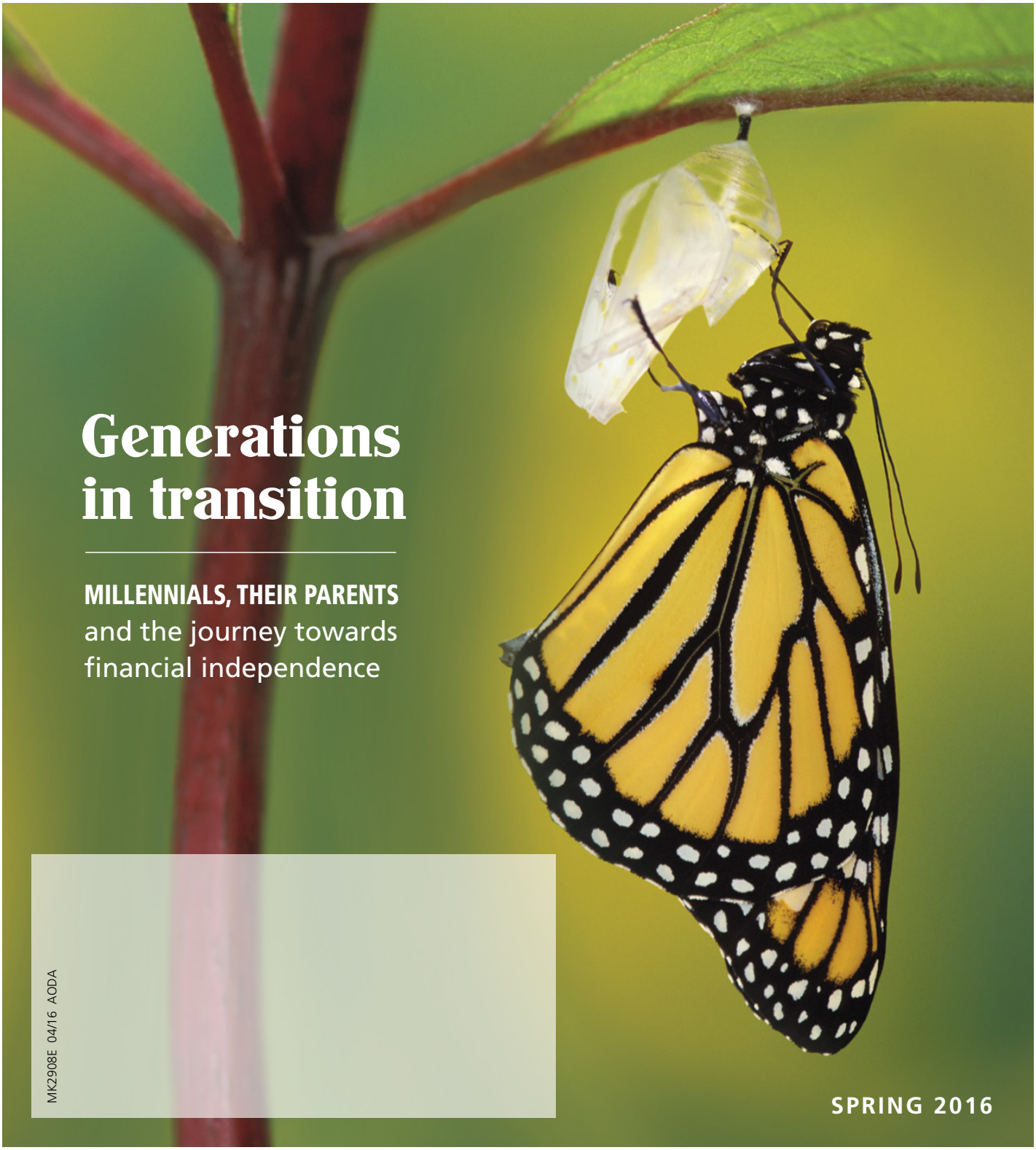
Solutions

FOR FINANCIAL PLANNING



Generations in transition

MILLENNIALS, THEIR PARENTS and the journey towards financial independence

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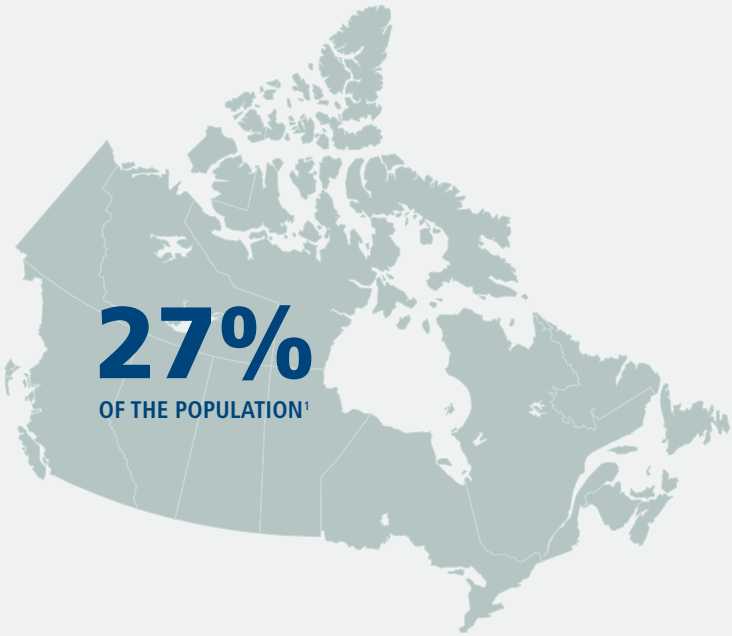
SPRING 2016

9,500,000 millennials in Canada

Born roughly between 1981 and 2000[1]



OF THOSE SURVEYED...

- **73%** use social media daily[1]
- **51%** buy online monthly[1]
- they spend **2.2** hours daily on their smartphone[2]

75% **of women** (age 25 to 34)

65% **of men** (age 25 to 34)

have a post-secondary degree or diploma[1]

Graduate with an **average debt** of more than **$28,000**[3]

ARE WORKING...

55% Full-time[1]

17% Part-time[1]

31% of 20-somethings are **in a relationship**

Down from 52% in 1981[4]

42% of 20-somethings **live with their parents**

Up from 27% in 1981[4]

TOP THREE THINGS MILLENNIALS SURVEYED WOULD DO WITH AN EXTRA $1,000[5]

- **Pay off debt** (21%)
- **Save or invest** (20%)
- **Travel** (13%)

LEARN HOW AN ADVISOR CAN HELP

Read the article on page 22 and check out the video *Millennials and money* on the Manulife YouTube channel.

[1] environicsanalytics.ca/docs/default-source/eauc2015-presentations/dougnorris-afternoonplenary.pdf?sfvrsn=6. [2] www.marketingmag.ca/consumer/millennials-spend-one-day-a-week-on-mobile-survey-162795. [3] cfs-fcee.ca/wp-content/uploads/sites/2/2015/03/Report-Impact-of-Student-Debt-2015-Final.pdf. [4] Statistics Canada. 2011. "Living arrangements of young adults aged 20 to 29" Families, households and marital status, 2011 Census of Population. www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_3-eng.pdf (accessed December 22, 2015). [5] issuu.com/david.abacus/docs/_1000_question_web_brief-_final/1?e=4252450/5865029.

MAKE FINANCIAL PLANNING A FAMILY AFFAIR

EVERY NEW GENERATION amazes previous ones as it shapes new trends, defines new standards and questions the way things are done. The millennial generation is now the one impacting our world. Being the largest generation in the Canadian workforce (about 37 per cent[1] in 2014), it already has a significant influence on our culture, politics and commerce.

Technology is a good measure of the gap between generations. My kids were born with technology all around them and, unlike me, won't remember a time without personal computers and smartphones. Even if I openly embrace new gadgets such as Fitbit and mobile devices, I'm still impressed how it's innate for my kids to adopt new technology.

Looking at the financial aspect, differences between generations are also obvious. While 23 per cent of millennials have less than five dollars cash in their pocket every day,[2] some boomers are still uncomfortable using a credit card.

In spite of being the most educated generation, many millennials demonstrate a lack of financial literacy.[3] These new adults also face challenges that are quite different from previous generations and indirectly affect their parents' financial planning. Overwhelmed by options and possibilities, along with an economic environment impacting housing and employment, many millennials are struggling to settle in. How can there be a win-win situation for everyone? Maybe you can make financial planning a family affair?

Your advisor is the best person to help all members of your family regardless of where they are on their life journey. Having a discussion with everyone around the table could be a great starting point.

I am confident this edition of *Solutions* – including the article on "Millennials and money"– will help you to be better financially prepared to achieve your life objectives.

Take care,

Paul Lorentz
Executive Vice-President and General Manager
Retail Markets
Manulife

[1] Statistics Canada. Table 282-0002 - Labour force survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted), CANSIM (database) (accessed: January 8, 2016)
[2] Jason Dorsey – The Millennials & iGen Expert, based on U.S. research
[3] Ipsos syndicated qualitative research – Conversations with Millennials, findings delivered to Manulife in March 2015

WHAT'S INSIDE

WHAT'S INSIDE

IN EVERY ISSUE

Matters of fact

The weather's getting warmer. The days are getting longer. Feel like celebrating? How about joining one of these festivals from around the world? Some are colourful. Some are quirky. Some are even tasty!

TWO TONS. That's a lot of garlic – but that's what is consumed over three days by about 100,000 attendees every July at the Gilroy Garlic Festival in California. On the menu last year were such delicacies as garlic calamari, garlic scampi, garlic kettle corn, garlic watermelon, garlic chocolate and garlic soft-serve ice cream.[1]

[1] gilroygarlicfestival.com/wp-content/uploads/2015/07/GGF-2015-Media-Kit-2015-07-08.pdf

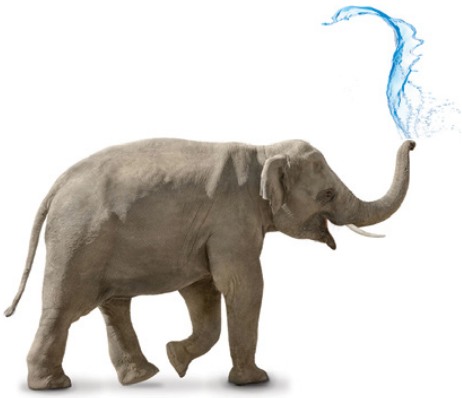
10 MESSY DAYS. South Korea's Boryeong Mud Festival, which takes place every July, focuses on the healing powers of the local mud – and the all-out fun of a mud fight. Mud wrestling, mud sliding and a mud king contest are among the activities at a festival that is less than 20 years old but attracts millions of people each year.[1]

[1] www.boryeongmudfestival.com/mud-story/origin/

SAY "CHEESE!"

In Gloucestershire, United Kingdom, every May, the the Cooper's Hill Cheese-Rolling and Wake sees contestants chase round Double Gloucester cheeses down a very steep incline. The grand prize? Cheese, of course. The record holder for most cheeses won took home 21 cheeses between 1978 and 2006. Last year's event attracted about 4,000 people.[1]

[1] www.cheese-rolling.co.uk/more_cheese_rolling_facts.htm



Songkran marks the **THAI NEW YEAR** in April, Thailand's hottest month, when the average temperature settles at 31°C in Bangkok.[1] What started as a good-luck sprinkling of water on family members and elders has turned into a three-day water festival that drenches everyone within range of buckets, hoses and elephants with water-filled trunks.[2]

[1] www.holiday-weather.com/bangkok/averages/april
[2] www.songkran2015.com

LA TOMATINA

Buñol, Spain, is a town of 9,000 people, but its population swells to 30,000 during La Tomatina in August. For two glorious hours, Buñol is the setting for the world's largest tomato fight. If you go, a snorkel and mask may come in handy – and be sure to pack a change of clothes.[1]

[1] www.spanish-fiestas.com/festivals/la-tomatina/

Marking the solstice

The summer solstice – the year's longest day – has been celebrated for millennia. At Stonehenge, it is believed that people arranged massive stones to catch the rising sun. In ancient China, people celebrated the Earth, femininity and "yin" forces that day. Native Americans, such as the Sioux, raised a tree to connect earth and sky, encircled by teepees representing the cosmos.[1]

Today, midsummer's eve is one of the biggest holidays of the year across Scandinavia, with dance and drink to celebrate the perpetual twilight. Thousands participate in Alaska's Midnight Sun Marathon every year, while others head for Eagle Summit for a clear view of the sun that never sets.[2] And at Stonehenge, of course, people still gather to mark the arrival of summer.

[1] www.timeanddate.com/calendar/june-solstice-customs.html
[2] www.smithsonianmag.com/travel/ways-to-celebrate-the-summer-solstice-180948449/

4,500 YEARS

That's how long people may have been celebrating Sham el Nessim in Egypt. The holiday, which celebrates the arrival of spring and means "sniffing the breeze" in Arabic, takes place in April. Families enjoy salted fish, boiled eggs and green onions at picnics in green spaces across the country.[1]

[1] www.touregypt.net/featurestories/shamelnaseen.htm

Mud, mud, glorious mud!

We're drawn to mud as children – remember making mud pies and splashing in the muddiest puddles you could find? As adults, we tend to avoid it, but there may be reason to embrace mud all over again.

The minerals in mud – for example, sodium, magnesium and potassium – can help soothe aching muscles or relieve dry, itchy skin.[1] Before you rush out to the backyard to roll around in wet dirt, however, it's important to note that not any old mud will do. Its mineral content must be high.

That's why Boryeong, South Korea, where the mud contains germanium and bentonite,[2] attracts so many to its mud festival. Lakes, saltwater seas, hot springs and volcanoes may all be sources of mineral-rich mud. Alternatively, you may only have to travel as far as your local spa to test the benefits for yourself.

[1] health.howstuffworks.com/skin-care/problems/treating/mud-baths.htm
[2] www.boryeongmudfestival.com/mud-story/origin/

Away from it all

Is cottage ownership for you? A look at what it takes to make it happen.

IF YOU'VE EVER DREAMED OF OWNING A COTTAGE, with summer weekends on a dock and the call of loons in the air, you're not alone. Spending time at a cottage is a top priority for many Canadians – a recent survey found that 68 per cent of those polled would choose a long weekend at a cottage over a big-city getaway.[1]

While a cottage can be a wonderful way to get away from it all and create special memories for your family, it's also a significant financial commitment. The clearer your picture of the cost of ownership, the more relaxing and carefree your cottage experience can be.

Adding it up

Just like your primary residence, there are baseline expenses associated with owning a cottage. In addition to the costs involved in the purchase, factor in property taxes, insurance, utilities, maintenance, repairs and renovations.

Even that beautiful boat tethered to the dock costs money, for fuel, maintenance and possibly winter storage. Given the ongoing costs, it's important to consider how often you and your family are going to use the cottage. Will you go up all year round? Every weekend in the summer? Or just a few weeks a year? Your answer is the first step towards guiding your plans for a purchase.

[1] download.remax.ca/PR/RPR2015/Report/2015REMAXRecreationalPropertyReport.pdf

Creating your cottage wish list

If you decide that a cottage is right for you, pinpoint your search to find a property that matches your needs. Here are some questions to consider:

- How far do you reasonably want to travel to get to your cottage?
- How many people will use the cottage on a regular basis? Will you want everyone under one roof, or are guest cabins preferable?
- Will you require full-service utilities, plumbing and internet? Or something more rustic that perhaps you'll renovate over time?
- What activities do you and your family enjoy? Water sports? Winter fun?
- Do you want to be close to amenities like shops or restaurants?
- What are your long-term plans for the cottage? Do you want to retire there?
- Do you plan to rent out the cottage?

Your interests and passions, combined with practical requirements, can narrow your search and help determine the location and type of property you buy – whether it's a water-access cottage, a cabin in a rural community or a chalet near a ski hill.

Paying for it

Many people need financing to make their cottage dreams a reality. You will need at least a 20 per cent down payment, or you'll be required to pay for mortgage default insurance.[2] Some lenders also have strict criteria around the kinds of properties they will finance: factors like whether the cottage has a foundation or is winterized can determine if they will finance your purchase and what type of rate they will offer.[3]

TIPS FOR RENTING OUT YOUR COTTAGE

Rental income can be a great way to help offset some of the costs of cottage ownership. Here are a few tips for doing it right.

Set the right price by researching what the rent is for comparable properties in your area.

Screen renters, and meet them if possible.

Prepare a rental agreement that covers number of guests, house rules and the amenities guests are allowed to use.

Inform your insurer and make sure your property is covered when it's rented out.

Plan for extra costs like utilities, property damage, wear and tear, advertising, cleaning, and any agent or property management fees.

Keep in mind that **net rental income is taxable.**

Another option is taking out a line of credit against your primary residence and using the proceeds toward the purchase of your cottage. Speak with your advisor to figure out what makes the most sense for your situation and consider getting pre-approved before you begin your cottage hunt.

Looking ahead

Once you've purchased your dream cottage, consider the impact on your estate. In Canada, assets can be transferred tax-free to a spouse at death. However, when the spouse dies and the assets are transferred to children or other heirs, a significant tax bill may result that must be paid before the heirs receive anything. Your principal residence is exempt from this type of taxation, but generally, a cottage won't be. It is likely to be considered a capital asset that could trigger a capital gains tax liability at death. Your advisor or a tax specialist can suggest strategies, such as purchasing life insurance payable to your estate to cover the tax liability at death.

The right support

Between choosing the ideal location and avoiding financing hiccups, it's wise to enlist the help of experts. Speak with your advisor to determine if a cottage purchase fits into your overall financial plan, and work with a real estate agent who specializes in cottage properties. With the right guidance, you can be on your way to kicking back and enjoying the summer in your own piece of paradise. ■

[2] www.theglobeandmail.com/globe-investor/personal-finance/mortgages/looking-to-get-a-mortgage-on-a-cottage-heres-what-you-need-to-know/article24541904/

[3] news.nationalpost.com/homes/cottage-cabin/cottage-financing-an-entirely-different-kettle-of-fish

Stay motivated, stay healthy

It's easier than ever to track and reward healthy decisions.

FOR MANY PEOPLE, fitness and good health are important priorities – and new technologies are making it easier than ever to set goals and track successes. Wearable technology, including fitness trackers and smart watches, as well as a wide range of apps for smartphones, can measure vital statistics in real time. The data from these devices offers insight into lifestyle patterns and can provide motivation to make healthy decisions related to exercise and food.

Good health is its own reward, of course, but what if it were also possible to save money by working towards health goals? In the United Kingdom and United States, life insurance providers are starting to offer discounts – on premiums, as well as on items like gym memberships, travel and shopping – to those customers who earn points by leading healthy lifestyles.

It makes sense. After all, insurers often provide a break on the cost of car insurance based on a good driving record, and some companies even offer discounts based on driving habits tracked by a device installed in the car itself. Why shouldn't people be rewarded for sticking to a fitness program or healthy diet?

These programs are possible in part because wearable technology is becoming so widespread. One in 20 Canadians surveyed (five per cent) already owns a wearable device that tracks their heart rate, blood pressure and physical movement. More than one in three (37 per cent) would be interested in such a device.[1] At the same time, Canadians are using mobile devices more than computers for online activities,[2] with the use of health and fitness apps growing more quickly than any other category – 140 per cent between March 2014 and March 2015.[3]

As both wearable technology and health-tracking smartphone apps become increasingly popular, insurance providers are likely to start offering more personalized options for life insurance. In the meantime, Canadians will continue to measure and celebrate their progress towards fitness and diet objectives as they work hard to stay healthy for life. ■

[1] Mintel 2015 Trends and Innovation presentation.
[2] www.thestar.com/business/tech_news/2015/01/07/mobile_web_usage_tops_computer_surfing_in_canada_study.html
[3] www.statista.com/statistics/445590/growth-mobile-app-usage-canada/

WHAT'S NEXT FOR **WEARABLE TECHNOLOGY?**

Smart watches with batteries that recharge with kinetic energy from walking.

Designers collaborating with tech companies to make wearable devices more attractive.

Wristbands becoming old school, replaced by earbuds and shoe inserts with sensors.

Wearable devices that allow purchases based on a unique heartbeat "signature."

Source: Mintel CES 2015 and Consumer Impact presentation and Mintel 2015 Trends and Innovation presentation.

Yours, mine and ours

A helpful guide for partners who are merging finances.

AS A RELATIONSHIP PROGRESSES, it's natural to begin sharing goals and dreams. But once a couple is sharing a home, sharing finances doesn't always come naturally. This is why a conversation about finances is of considerable importance – open and honest communication between partners can help establish a positive financial foundation for the long run.

Along with the worksheet included with this article, here are a few key points that can help guide the discussion.

Check your status

A good place for a couple to start is by learning about each other's financial situation. What does each partner earn? What savings has each accumulated? What financial obligations does each partner have? And while not always easy, it's also important to talk about debt and past credit issues. The idea is to understand challenges early on and begin working towards financial goals as a couple.

Build a budget

Establishing a budget as a couple can help ensure household expenses are covered and that there are enough funds for other living necessities. One way to do this is by breaking down expenses into main categories like household costs (e.g., rent or mortgage, utilities, groceries), joint discretionary expenses (extras purchased together like movies and eating out), and personal expenses (such as haircuts, clothes and gym memberships).

Along with everyday costs, a budget should include money for longer-term goals, such as debt repayment, insurance protection or retirement savings. An advisor can be a valuable resource in allocating an appropriate amount for these items and suggesting strategies to help achieve these goals more effectively. If there are debts, for example, consolidating may make repayment more manageable. To boost retirement savings, a couple may be able to take advantage of a spousal Registered Retirement Savings Plan and save on taxes. Having a well-thought-out budget is an important part of building a financial future together.

Develop a plan

Once a budget has been created, the next step is to work through how each budget item will be addressed. Various approaches are possible, including:

Centralize. Some couples opt to combine their earnings into one pot that is used to pay for all household expenses and any discretionary spending (joint and personal). It's the simplest way to handle joint finances, but it also means discretionary expenses are laid bare for both to see.

Split and pool. Other couples maintain separate bank accounts and direct a monthly amount into a joint account to cover household and joint discretionary expenses. The amount pooled can be based on a percentage of earnings if one spouse[1] earns less than the other.

Spend one, save the other. In this approach, one spouse's income is used for all living expenses while the other's is saved. This can work particularly well if one spouse has a variable income, or if one already owns and covers the expenses for the home.

Consider a household CFO

Ideally, a couple reviews their finances together regularly, but it may also be helpful to delegate one person to pay the bills. One partner may be a better number cruncher, or may simply have more time to put towards the task.

Review your insurance needs

Protection requirements can change significantly in the transition from being single to cohabiting. An advisor can help assess a couple's best options for coverage, such as life, critical illness and disability insurance, or even term insurance, especially if they are relying on both of their incomes to cover monthly expenses and maintain their lifestyle.

[1] Throughout this article, "spouse" also includes common-law partner as defined in the Income Tax Act (Canada).

Update or establish an estate plan

Partners bringing estate plans into a partnership will want to look at what combined plan may make sense and ensure that it evolves to meet the needs of the relationship and any dependent children. This update may involve reviewing the beneficiary of any insurance policies, investments or other legal documents to ensure the legacy is passed on as the partner(s) intended. If no estate plan exists, an advisor can help put one in place.

Don't forget the tax

There can be taxation impacts when a couple's finances come together, including eligibility to claim medical expenses, public transit costs and charitable contributions. It's a good idea to talk to an accountant or tax specialist to discover what tax saving opportunities may be available.

Just like other aspects of sharing in a relationship, merging finances effectively takes good communication and planning. Speak with an advisor to look at what financial strategies can best benefit your partnership based on your combined plans and goals. ■

SHOULD YOU CONSIDER A **MARRIAGE CONTRACT** OR **COHABITATION AGREEMENT?**

It may not sound romantic, but a written contract can help ensure both partners are on the same page when it comes to how finances are handled now and in the future. There are a number of aspects to consider when drafting a domestic contract. Consult with a legal representative about your specific situation.

Inside absolute return investing

Designed to sustain value through market ups – and downs.

DID YOU KNOW that the majority of Canadian investment funds are classified as "relative return" funds? This means that their objective is to outperform a median fund or benchmark, and their performance is measured relative to the performance of that benchmark. They aim to make money when markets are going up, but are likely to lose money when markets are falling. So, when it comes to investment approaches in Canada, everything is relative – almost.

There is another type of fund available. Known as "absolute return" funds, their objective is to make money over the medium to long term, even when investment markets are going down. And because they aim to absorb market shocks, absolute return funds are generating increased attention, especially among baby boomers concerned about the impact of market fluctuations on their retirement savings.

How does absolute return fund investing work?

Conventional relative return fund managers buy stocks or bonds they think will outperform the benchmark (e.g., a Canadian equity fund aiming to outperform the S&P/TSX Composite Index) and avoid those they believe will underperform the same benchmark. Using these parameters, the fund managers hope the decisions they've made result in outperformance on a relative basis. By contrast, absolute return fund managers use a variety of additional investment strategies that aim to generate value for investors regardless of market direction.

For example, two different fund managers may think that German stocks will do better than French stocks. The relative return fund manager would buy the German stocks hoping they go up, but the absolute return fund manager would go one step further, buying the German stocks and also selling the French stocks. According to the absolute return fund manager, it doesn't matter whether both stocks rise or fall, just as long as the German stocks do better than the French. As a result, the difference between the German and French stocks allows the absolute return fund manager to post a positive return even in a falling market, whereas the relative return fund manager only makes money if the German stocks rise.

Absolute return funds invest in a wider spectrum of strategies that are not always available to conventionally managed funds. These strategies help the manager to generate returns or guard against market falls. The power of absolute return investments lies in their potential to deliver value despite market conditions.

Speak with your advisor

It's important to keep in mind that absolute return funds are not guaranteed to deliver absolute performance. And while some have impressive track records, past performance does not guarantee future results. You'll want to consult with your advisor to explore whether adding an absolute return component makes sense for your investment style, portfolio and financial goals. ■

The road to successful travel

How to make your road trip budget-friendly without compromising the fun.

PICTURE IT: SMOOTH SAILING DOWN THE HIGHWAY with the sunroof open, your favourite summer playlist on the stereo, the happy anticipation of reaching your destination. Recent consumer research shows that 58 per cent of Canadians travel in the summer, and that cost is the biggest consideration for 77 per cent of travellers.[1] Combine these facts with the growing popularity of domestic travel among Canadians,[2] and road trips stand out as a great vacation option. Here's how you can make your ideal road trip an affordable reality.

Point A to point B

Your route is central to overall planning, but did you know that the actual roads and highways you choose can save you money? Online travel planning and mapping tools can be quite valuable in this regard. Map your route in advance to calculate distance and drive times, and avoid toll roads and construction zones.

Fuel is another key consideration. Again, a number of online sites post the lowest rates by location, complemented by downloadable mobile applications that enable you to check up-to-date prices on your smartphone or tablet. Be mindful of how you drive as well – driving techniques can affect fuel efficiency by as much as 30 per cent.[3]

[1] Mintel online consumer research study, conducted in July 2014 based on a sample of 2,000 internet users aged 18+.
[2] Mintel study, July 2014.
[3] www.theglobeandmail.com/globe-drive/culture/commuting/20-ways-to-improve-your-cars-fuel-efficiency/article1379796/

TRAVEL **SAVINGS**

An effective and proactive way to save for vacations is through a dedicated savings account. By setting aside funds ahead of time, for example, through pre-authorized transfers, your road trip can essentially be paid for before you leave. An added benefit: you won't arrive home to a large credit card bill. Talk to your advisor about savings strategies and the type of account that could work for you.

It may also be worthwhile to have your vehicle serviced before you go. The money you invest up front could be far less than the cost of getting your car towed or repaired if it breaks down during your travels.

Home away from home

Accommodations can easily amount to one of the biggest budget items of your trip. You can save money beyond the room rate by considering other factors: location (outskirts versus downtown), parking costs, if any, and whether the hotel offers complimentary breakfast. Check out any of the highly competitive travel websites to compare deals and discounted rates.

Vacation rentals can be another budget-friendly option. They typically have similar amenities to home (such as kitchen facilities, living areas and patios with barbecues), so you can save by preparing some or all of your meals. Popular online rental sources let you read reviews from other travellers. If you go this route, ensure the owner or website provides a contract, and carefully review it.

Dining on the go

Meal planning and restaurant selection can help you keep your food budget intact. Skip the drive-through and hit up grocery stores along the way to stock up on affordable (and healthy) car-friendly snacks: sandwiches, cereal bars, cheese, fruits and veggies. If there's a restaurant you'd like to try, consider going for lunch, as prices are generally higher on dinner menus.

Take in the sights

For the 73 per cent of Canadians who visited a domestic destination over the last year, the top types of activities included touring, wine-tasting and festivals.[4] No matter what pursuits you enjoy, it's worthwhile to decide in advance where to visit and when. Some attractions offer discounts on certain days of the week or in the afternoons, and you can often find coupons online or in local tourism guides.

[4] Mintel study, July 2014.

Safety and smarts

Before leaving, you may want to take care of a few personal details:

- Look into travel medical insurance if it's not part of your current policy
- Check your cellphone plan to ensure you won't inadvertently rack up roaming charges
- Alert your bank and credit card company of your travel plans

Once you're on the road, take advantage of free Wi-Fi where you can (though you should avoid entering personal data such as credit card numbers on a public network), and avoid carrying large amounts of cash. Your bank's website may list local automated banking machines (ABMs) that won't charge a convenience fee.

Hit the road

While the idea of packing your bags and taking off is exciting, planning in advance can go a long way towards keeping your getaway within budget. Be creative and spend wisely to make your road trip one for the memory books. ■

CHATTER BOX

ROAD TRIP TIP

"Save your change! I save mine up and every year I have enough to pay for gas for a road trip!"
R.R. via Twitter

Credit where it's due

How credit cards can build and maintain a strong credit rating.

SPRING OFTEN GETS US THINKING about outdoor parties and vacation plans – and credit can be a convenient means to finance the fun. To establish and keep a good credit rating, it's essential to follow two straightforward steps:

1. Borrow money
2. Repay the money on time

When you follow both these steps, you incur debt in a way that builds value and establishes you as a good credit risk. Paying off your balance on time, every month, demonstrates to lenders that you are able to handle credit and repay loans.

When you delay repayment, you're incurring debt in a way that flags risk and can negatively affect your credit rating. Lenders may be less willing to help finance larger purchases – or they may charge higher interest rates to do so.

Understanding your own spending behaviour, and how you handle credit, goes a long way to successfully building a strong rating. Here are some common questions on credit cards and building your credit rating.

Does it matter how many credit cards I have?

The number of cards you have doesn't weigh as heavily on your credit rating as the total amount that is owed, or the percentage of your total credit that the debt represents. For someone who is just starting out or repairing a poor credit history, or for someone who tends to overspend and max out credit limits, one card is likely enough. Having multiple cards may also expose you to a higher risk of fraud or identity theft.

If you are a responsible spender, pay on time and do not carry large balances, additional cards probably won't hurt. Before you fill in applications, keep in mind that some issuers may cancel credit cards as a result of inactivity. Opening or closing multiple cards at once may also reflect poorly, as lenders may wonder why so many credit inquiries appear on one profile.

How can my credit limit increase?

Generally, limit increases are based on your proven ability to pay back what you owe on time. Asking for a higher limit on an existing card may provide the same benefit as applying for a new card. Using a new card to pay off one balance, without reducing spending or paying down the old debt, is rarely a good strategy.

What about rewards?

Points, travel miles, rebates, low rates on balance transfers – promotions may not be the only things attached. Often rewards cards charge higher interest rates or annual fees than regular credit cards do. Moreover, satisfying the terms and conditions to qualify for the rewards may tempt you to make unnecessary purchases, counteracting the benefit of rewards.

What if I can't pay off my balance?

If your balance gets out of hand and becomes difficult to pay down (especially at a high interest rate or on more than one card), consult with your advisor or banking professional. He or she may be able to suggest methods to consolidate your debt at a lower interest rate. Consider retiring one or more of your cards to curb spending until repayments are back on track.

How does my credit card history affect loan applications?

Lenders prefer to loan money to borrowers who are likely to repay. For example, banks will check credit scores before approving a loan for a car, a home or other large purchase. They may decline an application or charge a less favourable interest rate if they think you are a higher credit risk. Mortgage lenders especially like to compare outstanding debt with income levels to ensure there will be sufficient cash flow to honour monthly payments. To see what lenders see, you can request a copy of your credit report free from Equifax (www.equifax.ca) or TransUnion (www.transunion.ca).

Your credit history is an important aspect of your overall financial health. For specific guidance on establishing and maintaining a good credit rating, speak with your advisor. ■

32% of Canadians surveyed reach for their credit cards when caught short.[1]

[1] The Manulife Bank of Canada poll surveyed 2,372 Canadian homeowners in all provinces between age 20 and 59 with household income of more than $50,000. The survey was conducted online by Research House between July 22 and August 7, 2015. National results were weighted by province, income and age.

FEATURE

A new generation strives for financial independence.

Millennials AND money

They're poised to overtake the baby boomers as the largest living generation.[1] Within five years, they're expected to make up half the global workforce.[2] Yet millennials face distinct challenges as they strive to achieve financial independence.

[1] www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/

[2] www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/assets/reshaping-the-workplace.pdf

These challenges can have unexpected impacts on their family members, who may find themselves providing prolonged financial assistance.

Anticipating better employment prospects and incomes with a university education, many millennials have racked up student debt only to graduate into unfriendly economic conditions that make well-paying jobs harder to find. A rising number have subsequently signed up for college diplomas that offer a more direct pathway into a career.[3] While this step may improve their chances of finding employment, it can also add to their financial burden and delay entry into the workforce.

With rent and housing prices soaring in many Canadian markets, some millennials move back home with their parents to cut expenses. Parents who may have been hoping to downsize post-"empty nest" are confronted with unforeseen costs to help support children who are unable to make ends meet. They may find themselves having to rethink their financial plans, perhaps having to make difficult lifestyle choices or reconsider their approach to retirement.

The good news is there are strategies that can help both millennials and their parents achieve their financial objectives – and they can be implemented starting today.

What's a millennial to do?

In a series of conversations with millennials, researchers heard comments like "At this age, we are expected to be at a certain point in our lives and we are not there" and "We're living an identity crisis – we don't know how to find our way."[4]

Millennials are often well educated, tech-savvy and frustrated that they're unable to find opportunities to succeed. However, they can take charge of their finances – whether they're looking for work or already in a chosen career – with the help of some straightforward steps.

Get back to basics

The word "budgeting" sends shivers through people of every generation, but balancing income and expenses (essentially, living within one's means) is critical to developing a strong financial foundation now and in the future. Budgeting starts with a two-step process:

1. Take a snapshot of "now"

A bank account statement shows clearly if more money went into the account than out (creating a surplus) or if more money went out of the account than in (creating a deficit). A surplus is an opportunity – to pay down debt, save and invest. A deficit means it's important to look for ways to either boost income or cut expenses.

[3] www.conferenceboard.ca/hcp/provincial/education/university.aspx

[4] Ipsos syndicated qualitative research – Conversations with Millennials (10 focus groups in Toronto, Montreal and Vancouver and five follow-up in-home friend groups in Toronto with 21-29-year-olds, conducted in Fall 2013), findings delivered to Manulife on March 2, 2015.

2. Find a comfortable balance

Everyone has a unique balance of income and expenses – a balance that enables them to reach their goals and that they can sustain, month to month and year to year. An advisor can help calculate how much to save now to afford everything from a house purchase to a comfortable retirement down the road. Dividing expenses into two separate categories – "needs" and "wants" – makes it easier to find ways to trim costs and save more.

Pay off debt as quickly as possible

Post-secondary tuition has been rising – and so have student debt levels. In Ontario and the Maritimes, where students are most indebted, the average debt load is more than $28,000.[5]

When paying down debt, it's generally a good idea to focus on loans with the highest interest rates first, and always aim to pay more than the minimum. Interest payments weigh down any budget, and reducing what you owe leaves more money to go towards other priorities.

Start small with investing

Investing isn't just for people with lots of money. A range of products (like mutual funds that pool one investor's money with money from other investors) and services (like plans that let people invest, say, $50 a month) can help put investing within reach.

A commitment to invest a little every month will pay off over time. Just $50 a month turns into $600 in one year and $6,000 in 10 years – assuming no rate of return (or loss) on the investment. Compounding investment returns can snowball, building personal savings surprisingly quickly.

Here's another compelling reason to start investing as soon as possible: small amounts contributed over a longer period of time can help reduce the pressure to play "catch-up" by investing much larger amounts later on.

> There are ways for parents to help without necessarily jeopardizing their own savings or retirement plans.

Save taxes with RRSPs and TFSAs

The financial services world throws a lot of abbreviations around – but two that are very important to understand are RRSP and TFSA.

Canadians start accumulating RRSP (Registered Retirement Savings Plan) contribution room when they file a tax return reporting earned income from the previous year. That's why it's a good idea to start filing tax returns early, even if income is modest – say, from a summer job or internship. After opening an RRSP,

[5] dev.cfswpnetwork.ca/wp-content/uploads/sites/71/2015/07/Factsheet-2013-11-Student-Debt-EN.pdf

Canadians can contribute up to their personal limit, and the contributions and investment earnings grow tax-deferred until withdrawn. Meanwhile, those contributions are tax deductible. Money can be withdrawn from an RRSP at any time; however, any withdrawals are taxed as income and it's generally preferable to keep savings growing through the power of compounding.

Canadians start accumulating TFSA (Tax-Free Savings Account) contribution room when they turn 18. After opening a TFSA, they can contribute up to their personal limit, and the contributions and investment earnings grow tax-free. There's no tax deduction, but there's also no tax on withdrawals. In addition, money withdrawn from a TFSA can be re-contributed starting the following January. The flexibility of a TFSA makes it ideal for short-term and long-term saving goals.

Plan for what-ifs

Life's full of surprises, so it's important to build an emergency fund. This money can help answer what-if questions, including one that haunts many young people: "What if I lose my job and can't pay my bills?" Try to save six months' worth of living expenses that can be accessed right away when needed.

What's a parent to do?

Not all parents of millennials have children who are struggling financially, of course – but many do. Among those aged 15 to 24, more than one in eight is unemployed.[6] Underemployment – working in a job that requires less education than someone has – is even more pervasive, affecting more than one in six university-educated Canadians aged 25 to 34.[7]

That's contributing to the rising number of 20-somethings living with their parents: 42.3 per cent in 2011, up from 32.1 per cent in 1991 and 26.9 per cent in 1981.[8] It's also having a financial impact on Canadian parents. In a recent poll, 66 per cent of parents surveyed who were helping adult children cover expenses were feeling the strain – with 47 per cent saying it has interfered with their ability to save for themselves and 20 per cent saying it has caused them to delay retirement.[9]

Even in the face of these trends, there are ways for parents of millennials who are having trouble becoming financially independent to help, without necessarily jeopardizing their own savings or retirement plans.

[6] Statistics Canada. 2015. "Labour force information: Analysis – August 2015" Catalogue no. 71-001-X. Ottawa, Ontario. www.statcan.gc.ca/pub/71-001-x/2015008/part-partie1-eng.htm (accessed November 10, 2015).

[7] Uppal, Sharanjit and LaRochelle-Côté, Sébastien. 2014. "Overqualification among recent university graduates in Canada." Insights on Canadian Society. Statistics Canada Catalogue no. 75-006-X. Ottawa, Ontario. www.statcan.gc.ca/pub/75-006-x/2014001/article/11916-eng.pdf (accessed November 10, 2015).

[8] Statistics Canada. 2011. "Living arrangements of young adults aged 20 to 29" *Families, households and marital status, 2011 Census of Population*. www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_3-eng.pdf (accessed November 10, 2015).

[9] www.newswire.ca/news-releases/parents-say-their-adult-kids-are-draining-their-nest-egg-cibc-poll-523820651.html. The 2015 CIBC poll surveyed 1,054 Canadian parents that are financially supporting adult children (non-students, age 18) who are Angus Reid Forum panelists.

Manage debt

While parents shouldn't ignore their debt – after all, many Canadians are carrying significant amounts of it as they approach retirement – some may consider slowing down debt repayment or tapping into the equity they've built up on their homes to help their children. Once millennials are able to support themselves financially, parents can redouble their efforts to pay down their debt. Many experts strongly recommend that debt be eliminated before retirement.

Encourage financial responsibility

Children who move back home after university can contribute to the household financially (for example, by paying rent or contributing to costs for food and utilities) and by investing their time (for example, by doing "above and beyond" chores such as repainting a room or cleaning out the garage). One way to structure monetary payments is as a percentage of a child's income, so their contribution is manageable from the start and increases with their salary.

Model good financial behaviour

Even grown-up children look to parents for guidance, so get them involved in discussions about the household budget, and share successes at paying down debt, committing to saving for the future and realizing retirement dreams. Some of the millennials interviewed said they wished they had learned the basics of financial management and planning in school. Parents can help fill in knowledge gaps and teach lessons that will remain valuable throughout their children's lives.

Speak with an advisor

One of the most effective ways to achieve everyone's objectives is to meet with an advisor as a family. Working together, millennials and their parents can build a comprehensive financial plan that improves their situation today and gives everyone more confidence in the future. ■

CHATTER BOX

WHAT ARE YOU SAVING FOR?

Like Canadians in other demographics, millennials have many competing financial priorities. We took to social media to find out what motivates them to save. Here are some responses:

The thought of paying off my mortgage motivates me to save up money.
J. via Instagram

We're saving up for our wedding in September 2016 and then our first home. Hoping to not have any debt after the wedding in order to save up for a down payment.
E.H. via Instagram

I'm saving for my education!
M.S. via Instagram

I am motivated to save for my retirement so I will be able to do the travelling I will want and hopefully move somewhere warm year round.
L.K. via Facebook

Vacations!
L.B. via Twitter

ARE YOUR INVESTMENTS PROTECTED FROM CREDITORS?

Legislation exists at both the federal and provincial levels to protect assets from potential creditors.

YOU MAY HAVE COME ACROSS THE TERM "CREDITOR PROTECTION" in the context of certain registered plans, pension plans and investments held with an insurance company – but what exactly is protected and in what circumstances?

In general, if you don't pay your debts, creditors may be able to recover what you owe from your assets – whether or not you are bankrupt. However, some assets may be protected from creditors based on federal and provincial legislation.[1]

Creditor protection can be valuable for your peace of mind whether you're a business owner, a professional or simply concerned about keeping assets safe.

Registered retirement investments

All provinces and jurisdictions protect from creditors assets that are either in a pension plan, or transferred from a pension plan to a personal locked-in or prescribed plan, such as a Locked-in Retirement Account (LIRA) or Life Income Fund (LIF).[2]

British Columbia, Alberta, Saskatchewan, Manitoba, Prince Edward Island, and Newfoundland and Labrador fully protect assets in Registered Retirement Savings Plans (RRSPs) and Registered Retirement Income Funds (RRIFs) from creditors.

[1] Under certain circumstances, assets that are otherwise protected from creditors may be seized if there is a court order to that effect. Examples include family maintenance or support payments in case of divorce.

[2] Assets transferred from a Quebec-regulated pension plan to a LIRA or a LIF are generally protected from creditors. However, where assets are transferred from certain Quebec government pension plans to a LIRA or a LIF, and where assets are transferred from a federally regulated pension plan to a locked-in RRSP, a restricted locked-in RRSP, a LIF or a restricted LIF, creditor protection may not apply.

In the event of bankruptcy only, the federal government protects RRSPs, RRIFs and Deferred Profit Sharing Plans (DPSPs) from creditors with these limitations:

- Except for DPSPs, contributions made within 12 months of declaring bankruptcy are not protected
- You must be insolvent, not just in default with creditors, to go bankrupt; in most situations, insolvency means you owe more than you own

British Columbia and Prince Edward Island also have laws in place to protect RRSPs and RRIFs from an estate's creditors. In Ontario, case law indicates that assets that go directly to a named beneficiary are protected from an estate's creditors.[3]

Investments held with an insurance company

Under provincial insurance laws outside Quebec, investments held with an insurance company may be protected against claims from creditors in bankruptcy and non-bankruptcy situations, provided that the beneficiary designation is irrevocable or the spouse, common-law partner, child, parent or grandchild of the annuitant is named.

In Quebec, the contract must qualify as an annuity contract and have a named beneficiary who falls into one of these three categories: a married or civil union spouse (not a common-law spouse), ascendants or descendants of the owner, or anyone named as an irrevocable beneficiary.

There's another important requirement: the investments cannot have been deposited into an insurance investment merely to avoid existing creditors. This is known as "fraudulent conveyance," and it nullifies creditor protection.

Other investments

Creditor protection for non-registered investments and Tax-Free Savings Accounts (TFSAs) is available only through investments held with an insurance company that meet the requirements described above.

Creditor protection for Registered Education Savings Plans (RESPs) is generally not available, even if the RESP is held with an insurance company, except in Alberta. In that province, legislation provides creditor protection for RESP assets that are used for post-secondary education purposes.

There are important limitations with respect to creditor protection, and this summary does not include all possible considerations. Consult with a tax or legal advisor about your individual circumstances. ■

DOES CREDITOR PROTECTION EXTEND TO BENEFICIARIES?

Creditor protection applies to the owner of the assets or the owner's estate. Once a beneficiary receives the funds – whether as a lump sum or as an income stream – those assets are not generally protected from the beneficiary's creditors.

[3] Amherst Crane Rental v. Perring, Ontario Court of Appeal 2004.

THE NEXT CHAPTER

Build a succession plan well before it's needed.

WHETHER YOUR BUSINESS IS AT THE STAGE of attracting investors or partners, or you are considering reducing your involvement to pursue other opportunities or retire, a formal written succession plan is essential. Almost half the owners of Canadian small and medium-sized enterprises (SMEs) are between the ages of 50 and 64.[1] Over three-quarters (77 per cent) of SME owners of all ages plan to exit their business within 10 years. Yet just nine per cent have a formal written succession plan.[2]

A well-developed transition plan can help maximize the value that you have built over years of hard work. It can ensure your business is in a position to act quickly when you receive an expression of interest from a potential investor, partner or buyer. Just as critical, it can provide a framework for planning for your own future beyond the business.

The sooner business owners start planning for transition, the better. Typically, five to 10 years out is ideal. Finding appropriate investors, partners or buyers can take several years. You'll need time to lay groundwork to make the transition as smooth as possible for you and your company's managers, employees, customers and suppliers. And you may need room to manoeuvre if economic conditions accelerate or postpone a sale.

Furthermore, planning ahead provides more opportunity to maximize the business's efficiency and profitability leading up to a transition. Streamlining day-to-day operations and enhancing stability (for example, through long-term contracts and supply chain integration) can make your business more attractive to an investor, partner or buyer.

[1] www.ic.gc.ca/eic/site/061.nsf/eng/02814.html
[2] www.cfib-fcei.ca/cfib-documents/rr3277.pdf

What are your options?

Here are some of the ways business owners can implement a transition:

- Transfer the business to a family member
- Sell the business to an internal or external buyer
- Switch from private to public ownership
- Merge with another organization
- Close up shop and wind down the business

All of these options involve relinquishing some, if not all, control over the business, and it's important to consider how to do that. Would you step away when the deal is inked? Or perhaps stay to assist through the transition? Some business owners stick around as a consultant well beyond the transition. It's important to think about how much of a role you want to play after new ownership begins to "call the shots."

Beyond business planning, it's critical to evolve your personal financial plan. A business transition can have a significant effect on your personal wealth, and may require a different approach to investment, tax and estate planning. Consider how you'll remain personally protected with health benefits and insurance. If you are retiring, you will also want to set up a tax-efficient and sustainable income stream.

These are all topics to discuss with your advisor, who may also be able to refer you to other business transition specialists, such as a lawyer, accountant and business valuator. With the right team around you, helping to implement a sound succession plan, you'll be in a stronger position to achieve your business and personal goals. ■

SOME KEY QUESTIONS TO CONSIDER WHEN CREATING A SUCCESSION PLAN FOR YOUR BUSINESS

- Who has a stake in the business (e.g., business partners, employees, franchisors, distributors, your family)?
- Do you have business interruption insurance?
- Do you have key person insurance?
- What is the business worth?
- How will the legal transfer of ownership occur?
- How will the transfer be funded (e.g., with life insurance following an owner or partner's death)?
- What are the tax consequences of a sale?
- How will profits be allocated?
- What role will you and others in the company have during and after the transition?
- How will you ensure the business runs smoothly through the transition?
- How will you keep up employee morale?

FORM AND FUNCTION

Insights on business start-ups and beyond from Open-Mind Interiors.

TOP: A showroom at Open-Mind Interiors displays one of their workspace designs.

ABOVE: The team at Open-Mind Interiors.

STACEY STREY AND ANDRE ST. JACQUES started the only full-service contract office furniture provider in northwestern Ontario three years ago. Based in Thunder Bay, Open-Mind Interiors consults with clients to design workspaces that encourage collaboration, inspire creativity and enhance productivity.

What motivated you to start your business?

Stacey: There was a need in this market for expertise not only in contract furniture but in commercial environments in general. An architect or interior designer may build the most beautiful space in the world, but if the furniture hasn't been thought through from the perspective of the employees who use it, it won't build productivity or provide flexibility for the future.

Andre: In the past, furniture was looked at as a commodity – an item you could order from a catalogue. We saw an opportunity to take a more consultative approach, engaging and challenging clients to embrace change. With furniture, employers are not just buying a commodity; they're investing in something for their employees.

When did you approach your advisor for support?

Stacey: I had worked personally with our advisor for many years, so I contacted her before I bought into the company and she's been very involved in the business from the get-go. We recognized that insurance and an employee benefits program were

a critical part of how we wanted to get established, so we brought her in at various points throughout that first year.

It's unusual for a small business to offer employee benefits right from the start. Why was this a priority, and what other solutions has your advisor helped you implement?

Andre: We want to attract and retain the best talent, and it's definitely a differentiator. We included some critical illness insurance as part of our benefits package, and are considering additional policies to protect the partners.

Stacey: We both come from a corporate background, so we've had the experience of having benefits packages in the past. We wanted to pass on that opportunity to employees – some of whom are beginning their careers, starting young families, buying their first condos. We want to see them healthy and growing and sticking around with us for the long haul.

Beyond benefits, how do you keep your staff motivated?

Andre: One small but effective thing we do is allow staff to accumulate and bank overtime so they can draw from those hours when we have quieter weeks.

Stacey: We're also working with our accountant to develop an incentive program where we evaluate the profitability of, and contributions to, each project, and work out a bonus that will be divided among team members based on how well we do as a team.

What's the next step for Open-Mind Interiors?

Stacey: We'll be bringing on an in-house specifier to do some of our furniture specification and space planning work. And we're positioning ourselves to meet growing demand for demountable wall systems and movable carpet tiles.

Andre: We're also enhancing the service side of the business – working with our clients on moves, adds and changes, managing furniture inventory, and managing furniture storage.

Stacey: We've gone through an interesting year because we had a third business partner until recently – so we've spent some months going through a buyout. Now that we have full control of business decisions, it's a good time to regroup with our advisor and our accountant to make sure we're heading in the right direction.

What's your favourite part of your job?

Stacey: For me, it's when a client is at our boardroom table and we're asking lots of questions and they have a light bulb moment. They realize that considering all these different variables means a better outcome for the people who live, breathe, work and exist in these spaces – and for their business.

Andre: I feel best when we deliver the solution. We go from first conversations to 2D and 3D designs to rendering – and then we see the space and it looks exactly like we envisioned.

What's one piece of advice you'd give to someone else who is preparing to launch a business?

Stacey: Build your team. We can't be experts in everything, so find the right people, trust them to guide you and let them do what they're best at.

Andre: It's so important to have a good lawyer, a good accountant and a good advisor – those trusted allies to make sure you're considering everything. Because once you get your business started –

Stacey: You're all in! ■


BAR

EMBRACE ITALY'S "DOLCE VITA"

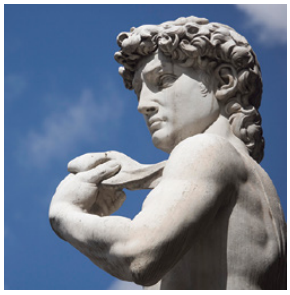
Enjoy vibrant cities, picturesque villages, art, history, food and wine.

ITALY WELCOMED 47.7 MILLION INTERNATIONAL VISITORS in 2013,[1] and no wonder: Italy offers something for everyone. Whether you're looking for the ancient or the modern, famous art or yet-to-be-discovered gems, urban vitality or natural landscapes, crowds or solitude, you can find it here.

One of the charms of visiting Italy is that your best moments may be unplanned. You might duck away from the crowds onto a twisting side street and come face to face with a spectacular ruin. Or detour off the main road on a whim, and discover the best espresso you've ever tasted in a town you've never heard of. Still, some "must-sees" are worth trying to work into your trip. Here are a few suggestions.

The North: Milan and Venice

Milan is an international fashion and design centre, where you can marvel at the 600-year construction job that produced the magnificent Gothic Duomo, enjoy opera at La Scala, and get up close and personal (for 15 minutes) with Leonardo da Vinci's *The Last Supper.* Venice's Piazza San Marco is popular with both tourists and pigeons – and you can get a bird's-eye view of both from the Basilica di San Marco's 99-metre-high campanile. While in Venice, stroll across the Palazzo Ducale's Bridge of Sighs or, even better, glide under it in a gondola.



LEFT: Positano's colourful houses overlook Li Galli, three small islands rumoured to be the home of the mythological Sirens.

TOP: For four centuries, starting in A.D. 80, Rome's Colosseum was the site of spectacles, including brutal gladiator fights.

ABOVE: A copy of Michelangelo's David (the original is in a museum) communes with other statues in Florence's Piazza della Signoria.

[1] data.worldbank.org/indicator/st.int.arvl

TOP LEFT: Some of Italy's greatest artists, including Michelangelo, oversaw the 150-year construction of St. Peter's Basilica in Vatican City.

TOP RIGHT: The Bridge of Sighs in Venice offered condemned prisoners a last glimpse of freedom on their way to jail.

ABOVE: On top of Florence's Cathedral of Santa Maria del Fiore, known as the Duomo, sits Brunelleschi's Dome – a marvel of 15th century engineering.

The Centre: Tuscany and Rome

Central Italy includes romantic Tuscany with its rolling hills, lush vineyards and picturesque villages. Linger with masterpieces by Da Vinci, Botticelli and Michelangelo in Florence's Uffizi, tilt your head to admire the architectural symmetry of Pisa's Leaning Tower and picnic in pretty Siena's sloping piazza, Il Campo. In Rome, step back in time at the Colosseum, Pantheon and Forum, admire St. Peter's Basilica and the Vatican's impressive collection of art (including Michelangelo's fresco in the Sistine Chapel), and toss a coin into the Trevi Fountain.

The South: Naples and the Amalfi Coast

Naples isn't just a gateway to other destinations – it boasts excellent museums, palaces and a historic centre that has been designated a UNESCO World Heritage Site. After you've taken in the sights there, stop by Pompeii and Herculaneum – simultaneously destroyed and preserved by the AD 79 eruption of Mount Vesuvius. Then relax and unwind in Positano, Ravello or Amalfi itself, along the dramatic Amalfi Coast. A little further south you'll encounter peaceful Paestum, where three Greek temples still stand among the ruins of an ancient town.

The Islands: Sicily and Sardinia

Sicily boasts family-friendly beach resorts such as Cefalù and towns like Taormina perched charmingly on hilltops. In the mountainous interior, thrill-seekers can take a ride in a cable car up still-active Mount Etna. Sardinia, geographically closer to Africa than to Rome, is a world apart, with much of the island still relatively untouched by tourism. Visitors do flock to the capital, Cagliari, ringed by Pisan fortifications, and to the cobblestoned lanes of Alghero, with its strong Catalan influences. ■

Sources:
www.italia.it/en/home.html
www.roughguides.com/destinations/europe/italy
www.lonelyplanet.com/italy

THE MANY CUISINES OF ITALY

When you hear "Italian food," you may think first of pasta and pizza – but there's so much more to the country's rich cuisine. Each region is known for its own local flavour.

In the north, dishes often incorporate creamy cheeses like Gorgonzola, Taleggio and fontina, white truffles and other mushrooms, and seafood such as clams, mussels, prawns and calamari. In Italy's centre, taste aged cow's milk Parmigiano-Reggiano and sheep's milk pecorino, sausages and prosciutto, black truffles and artichokes. In the south, enjoy spicy pepperoncino in dishes featuring rapini, zucchini and cauliflower, ricotta and buffalo mozzarella, pork sausages and scallops. And on the islands, look for Sicilian fennel, oranges and olives and Sardinian lamb and saffron, as well as plentiful seafood.[1]

To accompany your meal, try some of Italy's 350 official wine varieties.[2] In the northern Veneto region, around Venice, popular local wines include Bardolino, Bianco di Custoza, Prosecco, Breganze and Amarone. Tuscany, in the centre, is home to Chianti, Brunello di Montalcino, Morellino di Scansano and Carmignano. Southern Campania produces Taurasi and Lacrima Christi. Meanwhile, Sicily is famous for dessert wines like Marsala, and Sardinia for a rare Italian white – Vermentino di Gallura.[3]

Buon appetito!

[1] Maurizio Mazzon, *The Il Fornaio Pasta Book: Authentic Recipes Celebrating Italy's Regional Pasta Dishes* (San Francisco: Chronicle Books, 2002).
[2] winefolly.com/review/italian-wine-regions-map/
[3] winecountry.it/regione/

TOP LEFT: Sun-kissed Cagliari in Sardinia changes colour as light hits the buildings at different angles throughout the day.

TOP RIGHT: The Leaning Tower of Pisa sits at a rakish but stable 4-degree angle following reinforcement work completed in 2001.

ABOVE: Taormina, with Mount Etna in the background, is one of Sicily's gems, a resort town that has inspired musicians, artists, writers and countless other tourists over the centuries.

IT'S SO EASY BEING GREEN

Embrace an eco-friendly lifestyle with these eight simple tips.

WANT TO LIVE A MORE EARTH-FRIENDLY LIFESTYLE? Recycling is a great start – but if you want to do more for the environment, these small changes can make a big difference.

1. Clean green. You don't need industrial-strength chemicals to tackle dirt and germs. Clean up naturally with old-school staples like vinegar, baking soda, borax and essential oils. Many green cleaning products made with natural ingredients are now commonly available, and you can even make your own (see the recipes in our sidebar). They're easy to use, they smell great – and you'll be amazed at how effective they can be!

2. Wash it, don't toss it. We've all been to backyard barbecues complete with plastic tablecloths, Styrofoam cups and paper plates – tossing it all in the garbage only adds to what ends up in landfills. You can set a green standard by avoiding disposables and borrowing dishes and silverware from friends if needed. Or if you've got the budget for it, rent them from a catering company (bonus: you can send them back dirty).

3. Power down. Help reduce energy consumption by turning off TVs, computer monitors, printers, stereos and other electronics when you're not using them. Even in standby mode, they're still drawing energy.[1] One option is to attach everything to a power bar; then you only have one switch to turn off.

[1] www.theglobeandmail.com/globe-investor/personal-finance/pulling-the-plug-on-phantom-power-can-save-hundreds/article565404/

4. Choose items with less packaging. An easy way to reduce waste is by buying products with little or no packaging. If what you purchase does come with paper or plastic, see if you can separate the material for recycling. And don't forget to bring reusable bags when you go shopping.

5. Keep your cool – naturally. Instead of running the AC all day and night, try these effective stay-cool strategies. Open the windows at night to let in the breeze, then close them in the morning and draw the curtains to keep the sun out and cool air in. Use the barbecue instead of the oven to avoid heating the house, or make a cold meal like salad or sandwiches on really hot days.

6. Recycle electronics, batteries and light bulbs. Doing some spring cleaning? Don't throw these items in the trash! Batteries, bulbs, phones, computers, printers and TVs can all be recycled to help save energy and keep harmful materials out of landfills. Many large retailers offer drop-off programs, or check with your local municipality to see what materials it accepts.

7. Garden naturally. Instead of using chemicals in your garden or on your lawn, try time-honoured techniques like companion planting. For example, planting garlic discourages aphids, borers and Japanese beetles. Marigolds are also great for repelling pests.[2] As for your lawn, control weeds by setting your mower blade to about three inches – weeds don't grow as readily in the shade of taller grass.

8. Walk, cycle or share the ride. Moving under your own steam not only lowers your carbon footprint; it's also a great way to stay fit and healthy. Consider transit instead of taking the car, organize a carpool or work from home if you can.

RECIPES
FOR CLEAN

All-purpose, all-natural cleaning spray

1 tsp baking soda
2 tbsp white vinegar
20 drops lavender essential oil (optional)
20 drops orange essential oil (optional)
5 drops rosemary essential oil (optional)
1 cup warm water

Add to spray bottle, shake well and use to clean kitchen and bathroom surfaces.

Non-toxic glass cleaner

¼ cup white vinegar
4 cups water
20 drops lemon essential oil (optional)

Add to spray bottle and shake well. To be extra eco-friendly, use reusable cloths or old newspapers instead of paper towels.

Source: www.greenlivingonline.com/article/guide-natural-spring-cleaning

By adopting some or all of these strategies, you can lead a greener, healthier way of life and have a positive effect on the environment. Who wouldn't feel good about that? ■

This article is written in partnership with a wellness consultant from Tri Fit Inc. (www.trifit.com).

[2] www.cwf-fcf.org/en/discover-wildlife/gardening/gardening101/green-gardening/companion-planting.html

ENDLESS SUMMER

Have more fun in the sun with these mindful tips.

LONGER, WARMER DAYS SIGNAL THAT SUMMER is just around the corner. As you gear up for more time outdoors, plan to stay safe and healthy all season long.

Sunny days

With the proper precautions, painful sunburns can be avoided when you're enjoying summertime activities. Help protect your skin by liberally applying a sunscreen (SPF 15 or higher) 20 minutes before going outside, making sure to get those easy-to-forget places like ears, lips and tops of the feet.[1]

But you shouldn't rely solely on your SPF to keep you safe in the sun. The Canadian Cancer Society recommends donning sunglasses with UVA and UVB protection and a wide-brimmed hat to avoid burning.[2] Grab some shade under trees or an umbrella, particularly between 11 a.m. and 4 p.m. when UV rays are strongest.

In the water

As temperatures start to climb, you'll no doubt be ready to hit the pool or the beach to cool off. Before you dive in, it's a good idea to establish a list of safety rules, such as always swimming with a buddy and making sure an adult is present when kids are in the water.[3]

If you're heading out on a boat, make sure it has a first aid kit and enough life jackets for everyone on board. Children's flotation devices should fit snugly and be

[1] http://news.fraserhealth.ca/News/May-2013/Sun-s-rays-can-cause-harm-even-on-cool-and-cloudy.aspx
[2] www.cancer.ca/en/prevention-and-screening/live-well/sun-and-uv/being-safe-in-the-sun
[3] www.redcross.ca/training-and-certification/swimming-and-water-safety-tips-and-resources/swimming--boating-and-water-safety-tips/backyard-pools; http://news.fraserhealth.ca/News/July-2012/Keeping-pools-and-public-beaches-safe-this-summer.aspx

brightly coloured – the Canadian Red Cross recommends adding reflective tape and a whistle as an extra safety precaution.[4]

Eating outdoors

There's nothing like dining al fresco in the summertime. To keep your cookout from spoiling, store perishable foods at 4°C or less.[5] Keep raw meat sealed and separate from other food to prevent harmful bacteria from spreading, and always keep hands and surfaces clean.

When it's time to fire up the grill, ensure meat is thoroughly cooked by inserting a meat thermometer into the thickest section and looking for the following internal temperatures:[6]
Beef and lamb (cooked to medium): 71°C (160°F)
Pork: 71°C (160°F)
Whole poultry: 82°C (180°F)
Fish: 70°C (158°F)

Bugs and bites

Nothing puts a damper on outdoor fun like uninvited guests, namely mosquitos, ticks and wasps. Ward off many biting pests by staying indoors between dusk and dawn and by wearing insect repellent.[7]

Unfortunately, repellent won't protect you from stinging insects such as bees and wasps. To keep from attracting these and other insects, it's a good idea to cover any food and drink when dining outdoors, and remove standing water and nearby garbage.[8]

Don't let a summer illness or injury spoil the fun. Keep these pointers in mind to help you stay safe and get the most out of summer. ■

[4] www.redcross.ca/training-and-certification/swimming-and-water-safety-tips-and-resources/swimming--boating-and-water-safety-tips/lifejackets-and-pfds
[5] www.eatrightontario.ca/en/Articles/Food-safety/Play-it-safe-this-summer.aspx
[6] www.healthycanadians.gc.ca/eating-nutrition/healthy-eating-saine-alimentation/safety-salubrite/tips-conseils/cook-temperatures-cuisson-tbl-eng.php
[7] www.healthycanadians.gc.ca/product-safety-securite-produits/pest-control-products-produits-antiparasitaires/pesticides/tips-conseils/mosquitos-moustiques-eng.php
[8] www.healthycanadians.gc.ca/product-safety-securite-produits/pest-control-products-produits-antiparasitaires/pesticides/tips-conseils/wasps-guepes-eng.php

4 QUICK FIXES
FOR SUMMER MISHAPS

Sunburn: Soak in a cool bath or apply a cold compress, and take an anti-inflammatory such as ibuprofen to reduce pain and swelling.[1] Apply a gel containing aloe to soothe the area and avoid the sun until the burn heals.

Wasp or bee sting: Clean the area with soap and water. You can try to remove the stinger by gently scraping over the sting with your nail or a credit card, but do not squeeze or use tweezers. Apply ice wrapped in a cloth for 20 minutes at a time as needed.[2]

Dehydration: Signs of dehydration or heat exhaustion may include thirst, dark urine, headaches, dizziness and muscle cramps. If these symptoms occur, stop physical activity, get to a cool place and take small sips of water.[3]

Tick bite: If you find a tick on your body, remove it with a pair of tweezers (do not use your hands) by grabbing it as close to the skin as possible and gently pulling. Keep it in a sealed jar to show your doctor or local health authority. Wash the bite with warm soap and water, and monitor for infection.[4]

[1] www.webmd.com/skin-problems-and-treatments/guide/sunburn?page=2
[2] www.webmd.com/first-aid/bee-and-wasp-stings-treatment
[3] www.redcross.ca/training-and-certification/first-aid-tips-and-resources-/first-aid-tips/heat-related-emergencies--staying-cool-and-hydrated-in-canadian-summers
[4] www.health.gov.on.ca/en/public/publications/disease/lyme.aspx

STAY COOL WITH HOMEMADE TREATS

These easy-to-make recipes are sure to satisfy your summer cravings.

THERE'S NOTHING QUITE LIKE A POPSICLE on a hot summer day, but daily indulgences can take a toll on the waistline. Making frozen treats at home can allow you to enjoy all the goodness of seasonal berries and fruit while controlling the amount of added sugar and preservatives.

Plum and berry sorbet

While this recipe isn't sugar-free, it has just four ingredients. As seasonal fruits change, try adapting the recipe with peaches, strawberries or raspberries.

Ingredients

2 cups water
1 cup brown sugar (or sweetener of your choice)
1 cup blueberries
5 medium-sized plums, pitted and roughly chopped
1 tbsp. lime juice (half a lime)

Directions

1. Combine the water, brown sugar, blueberries and plums in a large saucepan. Bring the mixture to a boil over medium heat and reduce to a simmer. Stir regularly until the sugar dissolves.

2. Simmer for about 12 minutes or until fruit is soft. Remove from heat and cool.

3. Pour mixture into a blender. Cover the lid with a towel to avoid splashes, and blend. Chill overnight in the fridge.

4. Mix the chilled mixture and lime juice in an ice cream maker and churn following manufacturer's instructions. Freeze in a freezer-safe container for several hours until firm.

Option: If you do not have an ice cream maker, make a granita by following the directions in the following recipe.

Watermelon granita

This guilt-free dessert is like a snow cone with much less sugar! Low in calories and hydrating, watermelon is high in the antioxidant lycopene and rich in vitamins and minerals.[1]

Ingredients

6 cups watermelon
2 tbsp. lime juice (1 lime)
1/2 cup mint leaves (optional)
1/3 cup sugar (or sweetener of your choice)

Directions

1. Mix watermelon, lime juice and mint in the blender. Taste the mixture and add sugar or sweetener gradually to taste. Depending on your watermelon, you may need more or less sweetener.

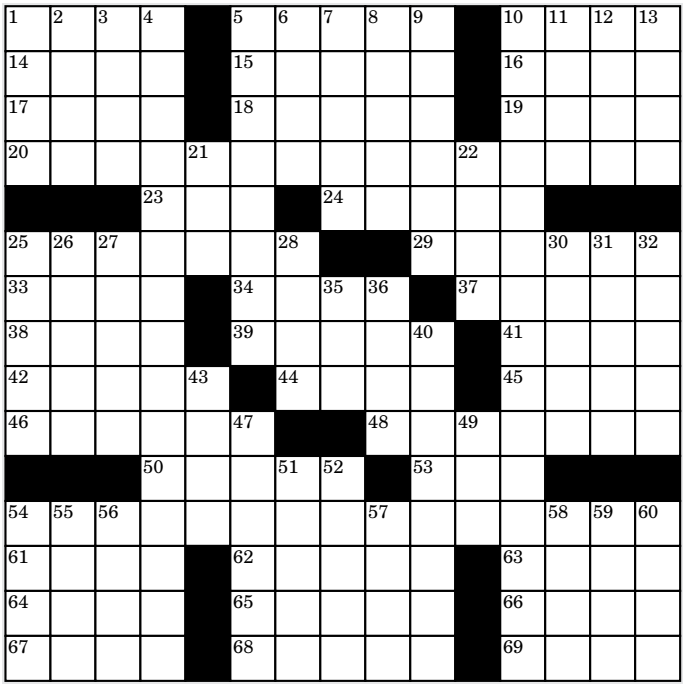
2. Pour the mixture into a 9" x 9" baking pan and freeze, covered. After 1 hour, stir, mashing any frozen bits with the back of a fork. Continue freezing until firm, about 2 hours. Scrape vigorously with a fork to create flakes of ice before serving.

Option: Freeze the watermelon mixture in ice cube trays and crush the cubes in the blender for a delicious slushy beverage.

These recipes were provided courtesy of a wellness consultant from Tri Fit Inc. (www.trifit.com).

[1] news.nationalgeographic.com/news/2013/08/130820-watermelon-nutrition-health-food-science/

THINK SPRING!



ACROSS

1. Egyptian deity
5. Baffling question
10. Gaucho's tool
14. Unresponsive state
15. Parisian pupil
16. Placement preposition
17. Cupboard closer
18. Was violent
19. Think —
20. Think spring!: 2 wds.
23. Daughter of Cadmus
24. Actor Buscemi
25. Rectors
29. Expose to the wind
33. Is obliged to give
34. *Pequod* captain
37. Clean vigorously
38. Brazilian armadillo
39. Think spring!
41. Annul
42. McEvoy of cosmetics
44. Actress Sorvino
45. Substance particle
46. Child's diversion
48. Hero's quality
50. Biblical writing
53. Mailbox address: abbr.
54. Think spring!: 3 wds.
61. Composer Stravinsky
62. Icehouse?
63. Old Italian bread?
64. If not
65. Wyoming Indian member
66. Olympian Zátopek
67. Singer Coolidge
68. Golfer's tools
69. Domesticate

DOWN

1. "Back in Black" group
2. Secure
3. Melville work
4. Think spring!: 2 wds.
5. Of the body
6. Norwegian king
7. Utah lilies
8. Navratilova rival
9. Atlas listing: 2 wds.
10. Think spring!: 2 wds.
11. Colourful fish
12. "WKRP" regular
13. "My Way" composer Paul
21. Spanish number
22. Saint Laurent of fashion
25. "Ghostbusters" gal
26. Cognizant
27. Fix (a shoelace)
28. Levelling device
30. Mr. Palmer, to pals
31. Architectural style
32. Key material?
35. The Greatest
36. Nasty comment
40. Stowed items: hyph. wd.
43. Secrecy device
47. American elk
49. Dada promulgator
51. Cubist painter
52. Musical direction
54. Row
55. West Indian fruit
56. Bewildered
57. Midday
58. Fine cotton
59. Demure
60. Ivy League school