

How will I know what to invest in?



BARBARA STEWART
Special to 24hrs

Although many people want to invest, they often can't figure out what to invest in. We are bombarded with multiple sources of daily financial news, and that can be paralyzing. But the most important thing is to just get started.

One woman explains: "My experience taught me that it isn't as hard as you think it is to invest in equity markets. From dinner table discussions, I began investing in the stock market at a young age and remain a fairly active investor."

"A childlike mindset can be helpful; kids often have clear views on future trends. So I try to look at things simplistically, as I did when I was a young investor. Investing is a way to distill one's thinking and it's a great window into economics, politics and human nature."

Learning to invest is like learning to ride a bike. On your first day out you only ride a little way, you make



The most important part of investing is to start simple with only a small amount of your savings. Ask someone you trust for help and invest in something you understand.

sure you have a steadying hand, and you stay close to home. On your first day investing, take just a small amount of your savings, ask someone you trust to help you set up an online account, and buy a stock in something you understand. Before you know it, you're thinking of yourself as an investor!

How will you know what to invest in? Invest in ideas that you understand. Invest in the things that interest you. Pay attention to your values and invest accordingly. Again, start with just a small amount of your savings. Need more encouragement? "Don't worry if you don't have the 'know-how' — it is easy. You don't need to

read boring annual reports, just look for stories about companies that form part of your daily life. For example, if you are a regular customer of a certain drugstore, take a look at who they compete with and start your own small analysis. You will gain confidence through these types of hands-on investing activities."

If that sounds too simple, keep in mind that advice comes from a product manager at one of Canada's leading mutual fund companies.

If at first you don't succeed, try, try again. If you then decide that you just aren't that into investing, don't let that freeze you out. Your best bet will be to find

a trusted adviser who will take the time to understand your values and invest on your behalf.

I recently released my fourth global study in the Rich Thinking series: "Getting Started: Advice, ideas and stories from smart women on learning to invest." You can read the full report at www.barbarastewart.ca

'Grey divorce' creates unique challenges

LINDA WHITE
Special to QMI Agency

For the new generation of empty nesters, marriage breakups are increasingly common and with "grey divorces" comes a unique set of financial challenges.

A whopping 80% of people who divorced at the age of 50 or older will delay their retirement because they need to work longer than planned and 62% say their post-divorce savings and investments will no longer be adequate to fund their retirement, according

to recent research from Investors Group.

Working with a financial adviser before, during and after divorce can help you reach an amicable settlement and ease the task of reorganizing your finances, the poll found. An adviser removes some of the emotion associated with divorce, says Christine Van Cauwenberghe, assistant vice-president of tax and estate planning at Investors Group.

An adviser can help negotiate the division of such assets as the family home, RRSPs and CPP credits so

there's a "win-win" for both sides, she says. Rolling over RRSPs to the lower-income spouse, for example, might make sense because he/she will pay less tax when funds are withdrawn.

According to the poll, those who sought financial advice before divorcing were more confident about their retirement: 39% expected to still have enough savings and investments to fund the retirement lifestyle they had planned. Just 28% of those who didn't work with an adviser felt the same confidence.

Certified divorce financial

analyst Eva Sachs of Toronto advocates an approach that brings both partners to the settlement table. "I take their income, expenses, support, remaining assets and remaining debts to paint a picture of what their financial future will look like," she says.

New financial realities mean it's more important than ever to manage budgets and expenses thoroughly. One partner may realize the family home is no longer affordable. Some might need to re-enter the workforce or go from part-time to full-time work; others will need



Older divorcing couples will find new financial challenges.

to delay retirement.

If you were divorced in your 30s or 40s, you'd still have time to rebuild your assets. "The older you get, arguably the less risk you

should be taking with your investments because if the risk doesn't work out you have less time to make up the difference," Van Cauwenberghe says.