

Hudson's Bay Co. said on Monday it would buy Saks Inc. in a \$2.4 billion deal that would add prime real estate to its portfolio and bring the luxury chain to its home market of Canada.



Life experiences can be valuable



BARBARA STEWART
Special to 24hrs

In the investment industry, when we try to value companies, we regularly include intangible assets such as “goodwill.”

For example, a corporate suitor is likely to pay more to acquire a firm that has a strong brand or reputation with its clients. Similarly, having a strong CEO is not a financial asset but it can be a critical factor in making up the value of an enterprise.

Steve Jobs was a perfect example: When the news of his terminal cancer was announced, the market value of Apple dropped by billions of dollars. But what were the things that made Jobs who he was? Although hailed as the greatest tech CEO in history, he was studying liberal arts at college before

he dropped out. He could, at some point, have gone back and taken an engineering degree, but didn't. Instead he went to India, learned about Zen Buddhism and took a calligraphy class. And, in many subsequent interviews, he said it was those transformative experiences that made him the CEO he became.

As human beings, how should we value our own personal assets, which are a mixture of things that have prices (like our homes or our RSPs) and things that are literally “priceless” but have tremendous value?

I am always on the lookout for bright, articulate and curious women to interview for my ongoing research study, and a trusted adviser suggested I meet Melissa. At 27, she has just taken on her second big job in a top advertising agency and I quickly realized that in her case the sky is the limit.

Mel is one of the first people I have met who actually had a proper high school

class on the topic of investing. It was one of the first of its kind, it obviously had an impact on her and I asked what she learned. Her main takeaway was seeing the stark difference between starting to save at an early age vs. starting to save when you are in your 40s or 50s. And never buy things that you can't afford. Great lessons!

She has followed a disciplined savings program and she has never taken on any debt. But here is the dilemma:

After doing all of the ‘right’ things for the last 10 years, she is now feeling the desire to travel and learn about life. And this costs money of course. Should Melissa throw caution to the wind and take a break from her savings and investing regime? How can she justify the decision to spend for two years rather than continuing on a more quantifiable path to financial success?

It seems obvious to me that there is nothing for her to worry about. Why?

**Build
‘intellectual
capital’**



Travelling and learning may draw down a bank account, but they build up those intangible assets, like former Apple CEO Steve Jobs. REUTERS

Because Melissa has two priceless assets — “intellectual capital” and “personal motivation.” Travelling and learning may draw down a bank account, but they build up those intangible assets, like Steve Jobs.

A strong intellect is valuable, but if you don't have the energy to do anything with your smarts there is

unlikely to be a payoff, at least in the conventional sense. A smart and motivated person will persevere in the pursuit of her goals in spite of setbacks and temptations that will test her willpower on occasion. That winning combination is definitely worth a lot — especially over time.

If we assign a value to each of these assets, my guess is they would easily compensate for a two-year gap in monthly savings over a lifetime. But that can't be proven with numbers alone.

— Barbara Stewart, CFA, is with Cumberland Private Wealth Management Inc. Visit her website at barbarastewart.ca

Money is taboo subject among couples, survey finds

DENISE PROULX
Special to QMI Agency

First comes love, then comes marriage, then comes money trouble.

Most married couples in Canada regret not discussing finances before saying “I do,” according to a BMO poll.

Nearly two thirds of married Canadians (62%) say they should have discussed money before marrying their spouse.

The top issues were an emergency fund (28%), setting financial goals (25%), managing current funds

(24%) and a will (19%).

Nearly all couples (98%) believe it's necessary to be on the same page regarding financial planning.

Fewer than half say they didn't talk seriously about money and 43% reported having a different investment style from their partner.

It's often a shame that couples don't talk about money, experts say. This is especially true for young couples.

“Many are often afraid of what they'll find out if they ask about finances,” noted Helen Bronsard, vice-president of private banking at



Money is a financial instrument that conveys social success. One shouldn't be surprised that people who have (money) want to monopolize it for themselves.»

— Helen Bronsard, vice-president of private banking at Raymond Chabot Grant Thornton.

Raymond Chabot Grant Thornton.

Financial adviser Francis Lapointe, president of CFP Pacific Council, adds that pride can also prevent open discussions about money.

“It's a powerful taboo,” he said. “Money is a financial instrument that conveys social success. One shouldn't be surprised that people who have (money) want to monopolize it for themselves.”

But the consequences of clamming up about finances can be serious, especially when it comes to making investment decisions, the BMO survey suggests.

Couples often don't have an overarching vision and instead spend money according to their priorities.

“They can agree on buying a house, but they don't look at their retirement or

savings needs,” said Jean Richard, a vice-president at BMO's Wealth Management Group.

Instead of bickering about money, couples should instead seek advice from a third party who doesn't sell financial products, says Bronsard.

Such a move allows both spouses to express their vision and concerns about money.

The exercise is psychological as well as a financial.

“A couple that wants to find common ground must show great courage to explain their point of view,” says Bronsard.

Francis Lapointe suggests couples enroll in personal finance “basic training,” beginning the discussion process by creating a budget.

They'll be able to realize where they agree and differ on key issues such as how to share bills and setting financial short- and long-term financial goals.

“They need to spend more time and develop confidence,” says Richard.

“Knowing how to share not only your life, but also finances and information, is the way to form a complete couple. Financial literacy is important for everyone, not just those with means.”