

1. **When will interest yields increase?**
2. **Why stay at home spouses need insurance too**
3. **Interesting observations from my tax preparation**
1. **What the Parliamentary Budget Office says**

The august PBO which in the past has brought you actual government spending versus the hyperbole of a political party and the mess of the F35 aircraft purchase, released a report this week saying interest rates are not likely to increase until the 2nd quarter of 2015. Regardless of whom is doing the forecasting this is the first forecast, from a credible source, for CDN rates not to increase in 2014. In retrospect I think the projection I was using of mid 2014 was more based on hope than anything else. Whether it is 2014 or 2015 it may take forever for 5 year deposit rates to reach 6%. Plan accordingly.

2. **How will your family be impacted if the caretaker is lost**

A recent survey by salary.com valued a stay at home parent @ \$115,000 per year. There were a variety of duties like daycare teacher, housekeeper, janitor, chauffeur etc.. totaling almost 97 hours per week. So what if the family unit were left without this person or even worse they became a burden to the family due to a significant illness. Short term solutions are exactly that . Having family help out is not a plan. There are interesting new products available that not only provide for life coverage but disability as well. Even the insurance companies recognize how important this person is. Do you?

3. **What I learned from doing tax returns this year**

For the record I only do my return, my families and my mother in law. Truth is, why she still has me do it is a bit of a mystery. I missed something years ago on demutualized shares and the amount of mail it generated from CRA was amazing! Graham worked some last year, paid taxes and then got double his money back. Wish I could do that with my clients investments over 8 months. Erika worked part-time and made roughly the same but because she is still going school no such luck. Thanks to the C. A. who gave me an explanation my 21 year old could understand. One senior family member lives frugally and watches her spending. So as a bonus she gets to lend the government \$1,000! Of course they'll pay her back and some, over the next 15 months, but this is the last person who needs budgeting help from the government. I am sure she can help them!

Cheers.

Earle

PS If you get more email than you can ever read & I'm adding to the glut, drop me a note and I'll remove you from my mailing list.

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