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### TIPS: Saving

- Treat saving like any priority bill. Pay it off the top, automatically.
- Build an emergency fund to keep at the ready.
- Know your investments: safety, time frame, risk and potential return.
- Know yourself: how much fluctuation can you really tolerate?
- People with advisors typically do much better than those without.
- Spend less than you make.
- You avoid capital gains tax on securities you transfer to a charity.

## Saving Wisely

If you are an average Canadian, you save about 3.2% of your income -- less than half the historical average. That's no wonder as interest rates are low and secured debt inexpensive. It does, however, create anxiety as people see looming needs and have little reserve.

One element of our mission at MTL is to help people save wisely. We think it wise to put something aside to reduce the burden of future debt, to avoid exclusive reliance on government income, and to make a difference. We also believe prudent investment behavior involves taking on appropriate risk for the time horizon, factoring in inflation and tax effects, and considering your ethical principles. With specific purposes in mind, saving can have wonderful effects, for you, for your family, and for your favorite charities.

When it comes to saving, anxiety can be replaced with action and trust in God.



## A Golden Opportunity

by Clarence Peters M.Div CFP®, Waldheim Branch Manager

In my 20s, when I dropped \$1000 into my RRSP high interest account, I thought I was doing the responsible thing. Now, about 35 years later I realize it was too conservatively invested for my time horizon. Further, an RRSP did not make much tax sense with my relatively low income. However, it was a start, and made me feel good about the advice in Proverbs 13:11 "... whoever gathers money little by little makes it grow (NIV)."

Most retirement savings are designed to supplement living expenses for the main government programs of Old Age Security (OAS) and the Canada Pension Plan (CPP). In 2019, Canadian singles who retired were guaranteed an income of about \$18,600, and a couple, \$24,576 if their combined CPP and OAS fell below those thresholds. Money may be nearly useless without time, but having time and little money can be very limiting as well.



Furthermore, they are able to help family members in need, or give a boost to charities who are furthering the mission of the church.

People who want more income than those minimums, typically save to boost their cashflow. Little by little, they see growth for the "golden" years when they anticipate less structured work. With that time, they often give themselves to serve others, either nearby or further away. They participate in helping others through agencies such as Mennonite Disaster Service or Mennonite Central Committee. Without those savings, their time and opportunities will be more limited.

It's rare to come across a retiree who says, "I wish I had saved less." Begin, even with a little, with a view to have enough to meet your needs and to bless others.

## Building On Your Savings Bases

Long Term	Retirement	Growth/Balanced Funds, GICs, Stocks, Bonds	RRSP, TFSA
Medium Term	House, Education	GICs, Balanced Funds, Savings Account	TFSA, RESP
Short Term	Emergencies, Vacation, Repairs	Savings Account	TFSA

## Scholarships:

Each year we offer scholarships for students attending post-secondary Christian education. Apply by June 30. For more information visit [mtrust.net/scholarships](http://mtrust.net/scholarships).

## Did you know?

MTL offers savings accounts, GICs, mutual funds, and professional advice to help you reach your savings goals. To find out more see [www.mtrust.net/products](http://www.mtrust.net/products).



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## About Mennonite Trust Ltd.

We are controlled and directed by the following church bodies: the Fellowship of Evangelical Bible Churches, the SK Mennonite Brethren Church, and Mennonite Church SK. We value your ongoing support so that we can serve our constituent members and many others who rely on us for financial guidance and service, whether saving, borrowing, tax work, or estate services.

Find our offices here:

**Waldheim**  
3005 Central Ave,  
306-945-2080

**Saskatoon**  
116 La Ronge Rd,  
306-933-2228

**Swift Current**  
423 - 1 Springs Dr,  
306-778-9137

[www.mtrust.net](http://www.mtrust.net)  
[mtl@mtrust.net](mailto:mtl@mtrust.net)

also on Facebook



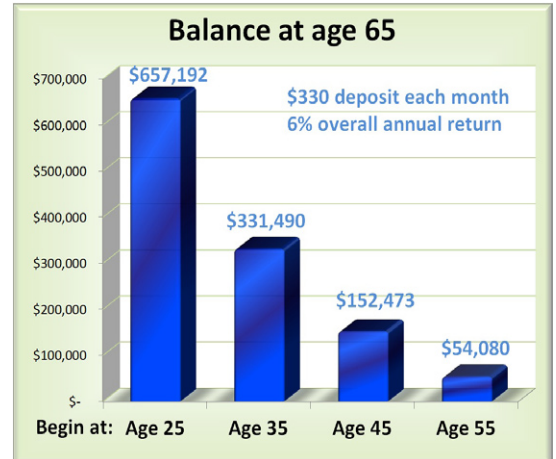
## Benefits of Investing Early

by Russ Willems B.Comm, CFP®, Financial Planning Manager

"I wish I had started when I was younger!" It's a sentiment I've heard more than once as I have opportunity to discuss saving and investing with many hard-working folks. The benefits of starting early are significant. Take a look at the chart below. The saver who starts investing regularly at age 25, comes out well ahead of the saver starting at 35. Why? The growth of compound returns is exponential, therefore a longer period of investing makes a considerable impact over time.

"That's great, but where do I find money to invest? There is nothing left at the end of the month!" While everyone's financial situation is different, there is a common piece of advice to consider: Direct your money to your highest priorities first, and use what is left for lower priorities. Is saving for retirement a key priority? Children's education? Perhaps saving for a house down payment? Take some time to identify what is important, and make sure your giving, saving, and spending are consistent with those priorities. Take care of your giving and saving commitments first, and structure your spending with what remains.

Regardless of what stage of life you are in, becoming purposeful with where you direct your money will set you on a course to improved financial health.



## Saving for your Children's Future

by Cory Regier, B.Comm, CFP®, MTI, CEO of MTL

Many students leave school with student loans as large as a mortgage. I was blessed that my parents saved for two years of my tuition, which meant a much smaller loan at graduation.

At MTL, we suggest starting early. Saving just \$50 a month earning 6% per year results in over \$19,500. If you save that same amount in a Registered Education Savings Plan (or RESP), that same contribution will grow to over \$23,500 in 18 years.



We also strongly recommend that when post-secondary school starts, not to use those education savings first. Apply for student loans! That way, your student can use the borrowed money interest-free while in school. Even better, a large portion of the loan is often forgiven through grants. Apply for the loan, use it interest free while in school, have a portion forgiven and pay off the rest with your savings.

My own kids are not far from high school graduation. By following these steps, I hope to do for them what my parents did for me.

## MTL New Building Addition

As hoped, our new Waldheim addition is now serving clients and staff with much needed space. Renovations continue to shape the interior of the existing building to be more functional. An open house is planned for spring.



## Employee Spotlight - Daniel Unruh



Daniel Unruh (pictured right) recently celebrated an amazing milestone of **forty years** with MTL. Over those 40 years Daniel has worked with many clients on their savings and retirement planning and in his role as CFO he has been an integral part of MTL's growth and stability. When he's not at work, Daniel and his wife Terry are heavily involved with Salem church where Daniel has been the treasurer for many years. Likewise, he serves as treasurer for the Waldheim Missions Conference. Daniel and Terry have four adult children, and one adorable grandson.