- C$400B in wealth is expected to transfer hands within a generation.
- A tip for raising financially literate and confident children is to start early.
- Early planning helps prepare for giving and receiving wealth across generations.
Your wealth of experience is your greatest legacy.

Preparing the next generation is as much about passing down knowledge as it is wealth. At RBC Wealth Management, we can help your clients shape a legacy based on their individual values and aspirations. We’re committed to building relationships that are based on trust, integrity and exceptional service.

To learn more about how we help our clients grow more than wealth, visit rbcwealthmanagement.com

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Taking care of your wealth management needs begins with understanding your financial goals and those of your family — from your parents, to your partner, to your kids and the following generations.

In this issue, we discuss the importance of multi-generational wealth planning to help you protect your wealth at every stage of life. Recent research conducted by RBC Wealth Management concluded that only 22 percent of high-net-worth Canadians have a full wealth transfer strategy in place, 52 percent have prepared a Will, and almost 60 percent of Canadian parents don’t feel confident their children will preserve or grow their inheritance. In response to this, we evaluate wealth transfer from a gender perspective, provide a wealth transfer checklist to help you start thinking about key aspects of planning to promote a lasting legacy, offer six financial planning tips for Millennials, and review the importance of business owner succession planning. We also highlight the connection between women’s cognitive health and financial well-being, spotlighting the Women’s Brain Health Initiative, a charitable organization RBC Wealth Management proudly supports.

In addition to addressing the theme of wealth transfer, we look at the shift towards responsible investment — integrating environmental, social and governance factors into overall investment practice — and we discuss multi-generational philanthropic giving.

We also celebrate diversity and inclusion at RBC by profiling three female leaders named to the Women’s Executive Network 2016 Top 100 list of Canada’s Most Powerful Women, learning what sets them apart as role models and leaders. To honour Canada’s 150th anniversary, we share a selection of inspiring youth stories from our Make 150 Count campaign.

I encourage you to contact your RBC Wealth Management advisor about the topics featured in this issue and to explore other ways to address your wealth management needs and goals — for your family, your business and yourself.
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Wealth transfer checklist
for individuals and families

10 key aspects to consider as part of successful planning.
In what has been coined as “the greatest wealth transfer in history” taking place over the coming decades, it is anticipated that upwards of US$4 trillion in wealth will change hands from one generation to the next throughout North America and the UK — among Canadians this translates to approximately C$400 billion. With a shift in wealth that carries such an incredible scope and magnitude of impact, now more than ever it is crucial individuals and families turn an active focus to wealth transfer planning and detailed conversations about it. While many individuals have the best of intentions when it comes to passing down their wealth, the reality is that only approximately one-quarter of individuals actually have a full strategy in place.¹

To help bridge the gap between intentions and successful planning, it is important to recognize that the most effective approaches are ones that are holistic in nature — beyond the scope of formal structures and strategies, promoting a lasting legacy also strongly hinges on open dialogue, ongoing communication within the family and education. With that in mind, this checklist provides key tips and aspects that span both the technical and softer sides of planning, including practical information for both the giving and receiving generations.
| **Using a comprehensive financial plan** as a starting point |
| Developing and maintaining an **up-to-date Will**, and recognizing that **estate planning** is not static |
| Understanding that a **range of strategies** and options exist to meet varying situations and needs |
| Appropriately weighing **personal preference** with **potential tax strategies** |
| Discussing and defining **family values** |
| Promoting open dialogue and ongoing **communication** |
| Finding the right balance with **information sharing** |
| Separating the **concepts of fair and equal**, and recognizing various methods for equalization |
| Using **financial literacy education** as a supplement/support |
| Considering the value of **philanthropic giving** |
For many individuals, looking ahead to the future often brings with it a number of questions relating to retirement, passing down wealth and their estate. Some common concerns include:

- Will I be able to maintain my desired lifestyle in retirement?
- How can I ensure I don’t outlive my money?
- What might my unexpected costs be and how will I be able to handle them?
- If I pass away unexpectedly, will my family be taken care of?

These are all important questions to ask and address, and a comprehensive financial plan may be very effective in this regard. While the scope of these plans is much broader than just estate and wealth transfer, the development of a comprehensive plan provides a clearer direction to strategically plan for certain scenarios, which in turn better equips individuals to make informed and strategic decisions about timing, appropriate amounts and the best methods for passing down wealth.

When it comes to wealth transfer, having a valid Will is central, as it functions as the guiding document in the administration of the estate as well as a tool for the transfer of assets and funds. If an individual passes away without a valid Will in place (which is called dying “intestate”), the reality is that provincial laws will determine how the estate will be settled. Simply put, this means an individual loses all control over fundamental choices like who will administer the estate and who the beneficiaries will be.

In addition to creating a properly documented Will, it is equally important to regularly review decisions and details within the Will to ensure they remain current. This is because throughout an individual’s lifetime, there are countless changes and events, including marriage, re-marriage, a relationship breakdown, birth of a child or grandchild, significant health issue, death of a family member, change in an heir’s personal situation or their relationship status, changes in wealth status or legislative changes, that may have a large impact on overall plans. Outside of significant life events, a good rule of thumb is to revisit your Will every three to five years to ensure it accurately reflects your circumstances, wishes and intentions. Further to keeping it up to date, it is also crucial to ensure your spouse or partner, children and other individuals who will be the recipients of an inheritance or assets, and executor are kept informed of changes to your Will, the creation of a new Will, and where your Will and other key documents are stored.

RBC Wealth Management’s myGPS™ offers a new, integrated approach for individuals to identify, plan, track and help realize their wealth goals. myGPS™ is a tool that helps to define and report on potential options to help meet wealth needs and objectives, and may act as an effective supplement to comprehensive planning. To learn more about myGPS™, please view “An integrated approach with myGPS™” in the Fall 2016 edition of RBC Wealth Management’s Perspectives magazine, or speak with a qualified professional advisor.

Providing expert guidance and comprehensive assistance
An additional consideration in an overall estate plan is proactively planning for the potential of incapacity by choosing a Power of Attorney (referred to as a “Protection Mandate” in Quebec), both for property and for personal care. Being appointed as a Power of Attorney involves a great deal of time and responsibility, so individuals should be very careful about who they select and potential family conflicts or burdens that may arise from this choice. Specifically in regards to Power of Attorney for property, a neutral third party may be a worthwhile option to consider, and this is one of the many areas in which RBC Estate & Trust Services offers professional expertise.

RBC Estate & Trust Services is dedicated to helping individuals and their families successfully navigate planning by offering tailored and specific estate, trust and incapacity solutions. From acting as an estate executor to assisting in aspects of trust management, advising on Power of Attorney or supporting other specialized trust and estate needs, RBC Estate & Trust professionals respect that these aspects of planning may be complex and emotional. They also understand the importance of customized, expert support in providing peace of mind in the preservation and transfer of wealth to future generations. For more information, please visit: https://estateandtrust.rbcwealthmanagement.com.

Understanding that a range of strategies and options exist to meet varying situations and needs
When it comes to wealth transfer planning, uncertainty around handling unique needs or complex family dynamics may be perceived as a large roadblock among some. To overcome these worries, it is important to recognize there are a vast array of approaches and strategies which can help to navigate every specific circumstance.

Part of comprehensive planning should include a thorough examination of the pros and cons of passing down wealth during your lifetime versus upon death, and then within that, what specific approaches will be most beneficial, whether that’s simpler methods such as outright gifts and inheritances, beneficiary designations or joint tenancy with right of survivorship, or more complex ones including inter vivos and testamentary trusts. Regardless of the challenges or situations from a family or individual standpoint, there are structures that can be customized and aligned to suit needs and goals.

 Appropriately weighing personal preference with potential tax strategies
It is understandable that for many individuals, personal preference and strong feelings about helping younger family members now often carries a fair amount of weight in the decision-making process. While these personal aspects are very important to address as part of wealth planning, the main focus should be on striking the right balance of acknowledging those preferences while at the same time considering potential tax benefits or implications. For example, there may be tax advantages to changing the ownership of investible assets to a child if they are in a lower tax bracket, as the investment income will be taxed at their lower rate. (Note: Tax savings will vary based on an individual’s province of residence.) For strategies such as this, it’s important to work with a qualified tax professional, as the regulations regarding the types of assets and whether the child is a minor or adult are often complex to navigate.
The centrality of this aspect in planning is unfortunately one that many individuals underestimate. When looking at wealth transfer as a whole, main underlying purposes include creating a lasting legacy (either family or business), ensuring family is taken care of, and providing financial health for younger generations to succeed and pursue endeavours. Taking the time to discuss and identify key values within the family, whether that is education, professional life, community, athletics, philanthropy or otherwise, often serves as a very powerful uniting factor for families. For the receiving generation, it also helps to clarify reasoning behind the decision-making process, and provides inheritors with a greater sense of direction and purpose for how their received wealth is meant to be used.

Regardless of family circumstances and dynamics, building an environment that supports conversation around wealth planning is so beneficial for both the giving and receiving generations. Understandably, this area of planning is often an emotionally challenging one, but the upside to open communication is that it removes any element of surprise or shock down the road, which can be incredibly negative and detrimental to the wealth transfer process, not to mention family harmony. One of the most effective approaches to consider is annual or semi-annual family meetings (in person or via phone or video conferencing), as these meetings present a productive forum for givers to share their intentions, reasoning behind decisions, and the structures that are being put in place, as well as gain perspective from other family members. For the receiving generation, the meetings may provide a better understanding of the methods and approaches used, offer context as to why certain decisions are being made, ensure they remain updated, and provide the opportunity for them to share their own interests, questions or concerns. Through these focused discussions, the idea is for each generation to gain better insight and input to help facilitate decision making and promote ongoing family harmony.

In addition to family members, another critical individual who requires a full understanding and awareness of your objectives and decisions through ongoing information is the executor of the Will. Executors play an active role in the wealth transfer process, as they are tasked with preparing an inventory of assets and liabilities, paying off liabilities, and distributing remaining assets as required under the terms of the Will. Given the breadth and complexity of this role, individuals should strongly weigh the willingness, capability and knowledge of the person they are choosing and may want to consider the potential benefits of using third-party services.
Much like every individual is different, so too are comfort levels with transparency in planning. Many individuals in the giving generation are often concerned about sharing too much information with the next generation too early. Specifically, the worries often centre around whether disclosing amounts may have a negative impact on intended heirs, potentially creating a sense of entitlement or decrease in motivation to achieve their own goals. On the flipside, however, sharing details offers heirs the ability to proactively and accurately plan ahead for the wealth they are intended to receive. In weighing this decision, individuals should factor in both the potential benefits and risks, taking into account individual circumstances and family dynamics.

Sharing details offers heirs the ability to proactively and accurately plan ahead for the wealth they are intended to receive.

When determining what is fair and what is equal in wealth transfer, issues may arise because definitions will vary among individuals. For example, what’s interpreted as being fair by the giver may not be aligned with the children’s or other beneficiaries’ point of view or expectations. As such, it’s important to differentiate between fair and equal as it relates to your particular situation, and then structure decisions in a fashion that promotes equality to limit the likelihood of any future resentment among heirs. Some key factors of potential inequality to account for include non-taxable assets, blended family situation, lifetime gifts versus inheritances, and varying financial situations among children.

Separating the concepts of fair and equal, and recognizing various methods for equalization
The concept of financial literacy extends well beyond just wealth transfer, but its application is so vital for any individual who will be inheriting wealth or assets. Those in the giving generation may play a key role as educators in this sense, and this is another reason that involving family members in wealth transfer discussions is so imperative, as it builds exposure to aspects of the processes and approaches that are used. From an age standpoint, it’s never too early to start educating younger family members and have discussions around the basics of financial management. In fact, there’s a variety of research indicating that the earlier youth gain strong financial literacy skills, the more confident they are with financial management and decisions as they gain financial independence. Beyond family support or formal educational programs, including inheritors in introductory meetings with your team of qualified advisors may be another beneficial means to boost financial literacy.

**Considering the value of philanthropic giving**

For many individuals and families, having a focused philanthropic plan is a central component in wealth planning. Its purpose and benefits are twofold in that it offers distinct tax advantages by redirecting funds that would otherwise be subject to taxation. At the same time, from a family perspective, establishing a philanthropic plan or even a charitable foundation may be a strong unifier for family members and functions as a means to uphold family values for generations to come.

Reference:
1. Information based on findings from the “RBC Wealth Management 2017 Wealth Transfer Report.”

For a more in-depth look at some of the key aspects of and questions about wealth transfer planning, please view the recent RBC Wealth Management Special Report: “Five key questions in estate planning and wealth transfer.”

We have a belief that to serve a market well, we have to reflect that market. Canada is an incredibly diverse and varied country, with a long history of inclusion of people from around the world. RBC deeply understands that diversity of background and thought leads not only to better business results, but to a culture of prosperity and richness.”

— Jennifer Tory, Chief Administrative Officer, RBC, on RBC’s culture of diversity and inclusion.

“I think every one of us leads by example every day, especially when we assume more senior roles. We have a responsibility to share our experiences, mistakes and learnings along the way as part of that role.”

— Shauneen Bruder, Executive Vice President, Operations, Personal & Commercial Banking, RBC, on being a role model within RBC and beyond.
“Without a doubt, it’s people and the relationships I’ve forged over the years that have truly made the difference in my career. As I look back, many colleagues, leaders and clients stand out, together with many amazing experiences ranging from helping clients grow their businesses and personal wealth and undertaking challenging work programs, to giving back to the community through my involvement with RBC’s many corporate citizenship initiatives.”

— Laura Gainey, Senior Vice President, Service & Operations, RBC Insurance, on achieving career goals within RBC.
Our organization has been involved in diversity efforts since the mid-1970s, and our view has continually broadened since that time. Over the course of RBC’s diversity journey, we have learned that diversity helps create more productive workplaces; it builds an environment of inclusion, attraction, retention and engagement of talented people; it provides superior solutions and products for clients; and, it contributes to the delivery of an exceptional client experience. True success with our diversity efforts is more than just a choice — it’s about embedding diversity into everyday business and making it an intrinsic part of people, client, culture and community strategies.

With a focus-forward approach to diversity and inclusion, RBC’s vision is to be among the most inclusive and successful companies, putting diversity into action to help employees, clients and communities thrive. As part of our commitment to diversity at the community level, RBC often seeks partnerships with other organizations and initiatives that share like-minded missions and values, an example of which is supporting the Women’s Executive Network (WXN) Top 100 Awards. WXN is Canada’s leading organization dedicated to the advancement and recognition of women in management, executive, professional and board roles. With 18,500 members in Canada, WXN offers over 120 events annually, including networking, mentoring, professional and personal development opportunities. Each year, WXN shines a spotlight on the achievements of professional women across Canada through its Canada’s Most Powerful Women: Top 100 Awards, and RBC is proud to have three of our talented leaders named to the 2016 list.

A celebration of RBC’s culture and values and honouring three women of influence named among Canada’s Most Powerful Women.

LAURA GAINEY
JENNIFER TORY
SHAUNEEEN BRUDER
For Jennifer Tory, there is great pride in working for a values-based organization, where all employees are guided by a purpose and a collective vision to help clients thrive and communities prosper. “RBC provides an environment where you are constantly challenged, where you get the opportunity to work with some of the best and brightest talent, and where you can truly have a fulfilling and successful career,” Jennifer shares.

Looking back to early on in her career, Jennifer shares that while she was fairly clear on her overall path, she didn’t always know exactly where she would end up within RBC. “I believe my varied experiences in different areas of the business over the years prepared me for the roles I have fulfilled. It’s an exciting time in banking and business in general, and I am humbled to be a part of the incredible team we have here.” Most recently, Jennifer was appointed the position of Chief Administrative Officer, RBC, embarking on a new endeavour to continue supporting RBC in its collective purpose and vision.

Reflecting on her career thus far, a number of moments and experiences stand out as highlights. Jennifer became Group Head, Personal & Commercial Banking (P&CB), in 2014 and she is honoured to have been the first woman to lead a business platform within the organization. Seeing the team recognized with two recent awards — the “Best Retail Global Bank” in 2015 by Retail Banker and “Highest in Customer Satisfaction” among the big five retail banks in J.D. Power’s 2016 Canadian Retail Banking Satisfaction Study — Jennifer is quick to note, “The credit for these awards goes directly to our employees who are constantly putting our clients’ needs first in everything they do.”

The increase of women in leadership positions is another aspect she’s most proud of. “In Canada, we have made progress to where, as of December 2016, women comprise 46 percent of management positions and above and 41 percent of executive roles at RBC; our Board is also comprised of 33 percent women,” Jennifer notes. Within the community, she also feels very fortunate to have been able to give her time to many organizations over the years, noting that she’s derived great personal satisfaction from community service and giving back.

Within the WXN, women who are named among the Top 100 are described as “role models, trailblazers and leaders,” and Jennifer is a three-time recipient as of the 2016 awards (at which time she still held her previous role of Group Head, P&CB). “It is a great honour to be among this group of incredibly talented and accomplished women. I truly hope that we’ve helped to pave the way for the next generation of future women leaders to feel there are no limits to what they can achieve,” she shares. “These methods of recognition shine an important light on the accomplishments of professional women across our country, which can inspire the next generation of women leaders, showing them what is possible and encouraging them to push their boundaries.”

When it comes to her own role models, Jennifer credits her late father for having the biggest impact. “My father instilled in me that I could do whatever I wanted in my career and in life — and he treated me the same as my three brothers. He didn’t see any barriers to success, so I didn’t either. I have surprised myself, but probably not him. As a role model, he inspired me by teaching me about hard work and perseverance, and he made me feel I could accomplish anything I put my mind to,” she shares.

And in turning a focus ahead to upcoming generations, Jennifer offers her own inspiring message to young women and men: “Above all else, have confidence, believe in yourself and stay true to yourself. It is very important to move out of your comfort zone and take risks early in your career to gain experiences and develop a broad set of skills. Then, when you find what you love, go deep. You also need to be honest with yourself about what success looks like in terms of your professional and personal life. In order to be truly successful, and happy, you need to ensure it’s on your own terms.”
In reflecting on her career thus far, Shauneen Bruder feels very blessed to have spent the majority of it with an organization that truly values its employees, and Shauneen identifies diversity as one of the values that is most important to her. “I have a personal congruence with all of RBC’s core values, and that is something that has certainly contributed to my long career here,” she shares. Over the course of her career, Shauneen has felt pride in every role that she has taken on, recognizing the continual growth and challenge, and her ability to make a difference in every position. She also gives great credit and appreciation to her teams throughout the years, as they have been so valuable in helping her learn, grow and develop strong leadership abilities.

As a role model and a leader, Shauneen feels very strongly about her responsibilities and takes pride in being able to offer her skills, experience and insights to help others reach their full potential. “I am fortunate to have the opportunity to mentor a lot of women and men; and, on a personal level, I am also really proud to have raised three wonderful children with my husband while balancing my career and to have the opportunity to give back to the community in a number of meaningful ways,” Shauneen shares.

Looking back to early on in her career, Shauneen had clear goals and defined priorities, but shares that she didn’t always envision herself exactly where she is today. “When I started out, I wouldn’t have expected to end up in the role that I’m in now. I just always focused on working hard, adding value and making a difference. I think it’s really important to actively seek roles and look for that stretch to have an impact. And beyond that, I’m really fortunate to work with an organization that truly invests in their employees,” she explains.

For Shauneen, being recognized in the 2016 WXN Top 100 Awards was particularly meaningful, as it marked the fourth time she has been named to the list of Canada’s Most Powerful Women — with that fourth award comes an even greater honour, and that is being inducted into the WXN Top 100 Hall of Fame. “Not only in 2016, but each time I’ve been awarded by the Women’s Executive Network, it is incredibly humbling to be recognized in such a strong list. I am so inspired by the breadth and depth of the amazing and talented women who are part of the Top 100, both currently and in previous years,” she shares. And when it comes to organizations and initiatives such as WXN and the Top 100 Awards, Shauneen strongly supports their purpose for women, and for society as a whole. “I think it is so important to recognize, profile and celebrate women’s accomplishments in a way that provides motivation and encouragement to other women. It sets out stories, and I believe storytelling is such a great way to inspire — it really opens the possibilities for the next generation.”

When asked who has been the most influential person in her life, Shauneen is quick to give credit to her father as her leading role model. “While I was fortunate to have a number of really powerful role models, my father was the earliest and most impactful. Some of the key values he focused on and prided were hard work, compassion, developing others and giving back,” she shares. These values have remained embedded with Shauneen throughout her career, and they are woven into her powerful and insightful advice for younger generations: “First and foremost is to work hard, and then to be prepared and take smart risks with your career. I believe that if you’re not a little bit scared, you’re not stretching yourself enough. Beyond that, it’s important to broaden yourself as much as you can as early as you can, and jump at any opportunity to get involved and learn new things, as that is where opportunities grow from.”
For Laura Gainey, embarking on a career with RBC 35 years ago was one of the most important decisions of her life. “As I look back, I feel very fortunate to have joined RBC at such an early stage of my career. Although we’re a global organization of 80,000 people, RBC really feels like a tight-knit family, and I’ve always been immensely proud of our shared vision and values.” As Laura explains, part of sustaining the culture at RBC is not being complacent or taking it for granted: “At RBC, diversity is fostered through processes versus organic evolution alone, and we understand how critical diversity is to our ability to innovate, adapt and be successful in a competitive and fast-changing environment. I’m thankful to be part of a thriving environment where diversity and inclusion are woven into the very fabric of the organization, however, we must always challenge ourselves to do better.”

A fervent advocate of employee growth and development, Laura has personally mentored more than 100 employees over the span of her career, and is an active sponsor in the organization, helping to facilitate the growth and succession of RBC’s future leaders. It’s no surprise that some of the proudest moments in Laura’s career come from seeing so many of the women and men she’s supported go on to achieve great things. “I truly believe one of the most important roles of a leader is to attract, grow and develop talent for the organization. We have a responsibility to remove barriers and find ways to encourage, support and sponsor our top talent in open and visible ways. In practice, that means speaking up on their behalf, proactively opening doors that will enable them to reach their full potential, and taking risks to ensure we help our future leaders grow and develop; it’s so rewarding to see this come to fruition.”

The 2016 WXN Top 100 Awards mark the first time Laura has been named among Canada’s Most Powerful Women, an experience she describes as incredibly humbling. “It’s a great honour to join a community that includes so many iconic and inspirational women,” she shares, but is also quick to note the importance of using such platforms to continue to drive the momentum for change. Beyond WXN specifically, Laura is a strong supporter of initiatives and organizations that motivate and recognize women and their achievements. “When we celebrate the success of these inspirational women and widely profile their accomplishments, it helps enhance their visibility as role models, and extends exposure to more women across Canada,” she shares. “As we strive to diminish unconscious bias, the steps we take today will set the stage for future generations, and while recognition is a valuable tactic, it goes hand in hand with stronger hiring practices, development programs, skills-based mentorship, and visible support and sponsorship of women in the workplace.”

When it comes to setting an example, the greatest role model in Laura’s life has been her mother: “My mother was a very powerful influence in my life, and she instilled in me so many of the attributes I live by today: upholding a strong reputation, values and principles, as well as respect, integrity and kindness.” Laura’s mother became a widow at a young age, and as a traditional stay-at-home mother, suddenly found herself having to learn new skills and make tough decisions for her family. “Her example demonstrated to me the power of hard work and what’s possible when you have the courage and determination to try, and to this day I remain so inspired by her strength and resilience.”

Laura recently announced her intention to retire later this year, and in thinking about the best advice she can offer, now as a role model to younger women and men herself, she shares a valuable message: “Good health is, above all, our most precious and valuable gift. It’s the very foundation of our well-being and supports our ability to succeed in both our personal and professional lives. In today’s fast-paced, ‘always on’ world, it’s more important than ever to find balance in your life and take time to recharge. I also strongly encourage young people to find ways to get involved, both in their local and professional community. Take advantage of mentorships, volunteer for projects that challenge and expand your abilities, be passionate and eager to learn, and use your skills and knowledge to positively impact and give back to your local community. In my experience, reaching beyond your day-to-day role returns many rewards, including the opportunity to meet new people, strengthen your confidence, build valuable relationships and grow your professional network.”
For more information on the Women’s Brain Health Initiative, please visit: www.womensbrainhealth.org
How an improved understanding of age-related cognitive issues may have a positive impact on financial security.

Cognitive health and age-related brain conditions are areas that have gained growing attention in various fields of research over the last few decades. Without a doubt, there have been great strides in knowledge that, on a very general scale, have helped Canadians recognize and build a better awareness around mental health and brain aging. While the overall movement has been positive in bringing cognitive health more to the forefront for many individuals, the unfortunate reality is that the female demographic has largely been overlooked from a research standpoint. Despite the fact that there are fundamental differences between the male and female brain, the majority of research has focused only on men. It hasn’t been until much more recently — through initiatives and organizations like Women’s Brain Health Initiative (WBHI) — that correcting biases in research and a focus towards studying female brain issues separately from men’s have started to take place.
This reality may come as a surprise for many, given the very fact that women are much more likely to succumb to brain-aging diseases and conditions. In fact, women succumb to depression and dementia twice as much as men do, and of all new Alzheimer’s diagnoses, 70 percent will be women.\textsuperscript{1} Statistics such as these are a striking eye-opener and act as a strong driving force for WBHI and its sponsors and partners like RBC Wealth Management (RBC WM). By turning attention to equalizing scientific study and using educational programs as the vehicle, the hope is to develop a greater understanding among women regarding their brain health, empower them with the tools to make positive changes in their lives, and make the connection between brain health and financial well-being and the importance of planning with that connection in mind.

**Women’s Brain Health Initiative**

Launched in 2012, Women’s Brain Health Initiative (WBHI) is a Canadian charitable organization focused on educational programs and research to combat brain-aging conditions that affect women, and also functions as the largest resource of information specific to women’s brain health. For Lynn Posluns, founder and president of WBHI, there is tremendous pride in knowing positive steps are being taken both to study and to promote women’s brain health because of organizations like hers. “I started Women’s Brain Health Initiative with two mandates in mind: to increase and fund research for women in terms of brain-aging diseases and to improve education and awareness around these issues and help women stay brain healthy for longer,” Posluns explains.

Historically speaking, brain health wasn’t a term that was well-established for women; rather it was the wider perspective of mental health that Canadians were more familiar with, both at the individual and institutional level. In the early days of WBHI, this presented a challenge for Posluns as she strived to gain support and bring to light the importance of looking at brain health from both a female and male perspective. Once she established a foothold, however, with sponsors such as RBC WM, who she notes “was at the forefront in recognizing this was an issue for women and that it was time to take a stance that this was important,” the charitable organization expanded faster and more broadly than Posluns had anticipated.

Over the years, WBHI has forged alliances within the scientific and medical communities both in Canada and beyond, and this has been very beneficial in augmenting the research component. For example, WBHI is part of the Canadian Consortium on Neurodegeneration in Aging (CCNA), which includes approximately 340 researchers across Canada, where gender is now being taken into account as part of research practice. Movements like this are tremendously positive for WBHI, as the organization’s efforts have influenced how scientific study is changing and it has also provided more opportunity to invest in the research to find answers for tomorrow. To fulfill their educational mandate and commitment, WBHI uses a number of channels to reach individuals and share valuable information, including a range of events for members, clients and employees of sponsors, and the general public. They also publish an annual magazine, *Mind Over Matter*, distributing over 100,000 copies across Canada, and share everything from tips and recipes to research and articles from the medical community via their comprehensive online “Think Tank.”

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**Six keys to protecting brain health**

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**Lynn Posluns**  
*Founder and President, Women’s Brain Health Initiative*
Posluns is extremely proud of WBHI’s success within Canada and more recently into the US and globally, and feels confident this growth speaks volumes about the positive path ahead. “I didn’t imagine this kind of expansion five years ago, but it’s very apparent that the more we do collectively, the greater the power behind both the research and the education,” she shares. “Individuals, both men and women, need to understand that they are empowered to make positive lifestyle changes, that they have more control over their cognitive destiny than they realize, and by working towards equal representation in terms of research and scientific study, we may see new policies, approaches and potential treatments for women’s brain health that may be life-changing.”

**RBC WM’s commitment to the cause**

As a dedicated sponsor, RBC WM understands the importance of helping WBHI further both its research and educational mission. With support and assistance from organizations such as RBC WM, WBHI is able to grow and achieve success with the initiatives they undertake, ultimately helping them access and teach more women in every age demographic. As Posluns reinforces, “RBC WM strongly acknowledges education for all generations of women and the value of bridging the research with education from both a preventative and awareness standpoint.”

One of the key areas in which RBC WM has recently been involved is the development and launch of Millennial Minds™, which is a dedicated membership program of the WBHI’s Young Person’s Cabinet for educating and empowering younger individuals. This program centres around helping those under 40 understand the importance of taking care of their brain health now, and RBC WM is proud to have played a key role in supporting the creation of networking and educational events within this Millennial program.

**Engaging Millennials on the topic of brain health**

Focusing on brain health, not only as women age, but also proactively helping younger women to make positive lifestyle changes, offers transferrable value in every aspect of life, whether that’s personal, family, professional, social, financial well-being or otherwise. Researchers now understand that by the time symptoms start to occur in regards to dementia or other age-related brain conditions, the damage has occurred decades before. Therefore, the earlier individuals begin making their brain health a priority, the more likely they will decrease their risk factors. This is precisely why WBHI is so focused on spreading the word and getting the science into younger people’s hands through programs like Millennial Minds™.

**Prioritizing planning among Millennials**

Further highlighting the RBC WM partnership with WBHI, this edition of Perspectives also includes an accompanying article on page 44 with specific tips and strategies for Millennials in regards to financial planning.
Connecting brain health with financial health

With the statistical actualities of age-related issues and female brain health, women need to recognize that understanding cognitive realities and working towards maintaining brain health are crucial factors for dealing with and managing their financial health and future in the best ways. In order for women to proactively and effectively apply it within their lives, the approach needs to happen on two main levels. First is recognizing that because research is showing a number of the risk factors are modifiable, women should be making positive changes wherever possible to promote cognitive well-being and to combat age-related brain issues. Then, specifically from a financial standpoint, it comes down to recognizing and accepting that cognitive decline may be a potential factor in their retirement and later years and may directly impact their livelihood and financial well-being. As such, it is imperative to turn a focus to that aspect of planning and have the appropriate structures and strategies in place to handle and effectively address potential needs.

Importance of planning for women

Specifically in the realm of wealth planning, an improved awareness of brain health issues as women age may be a very strong catalyst for making informed decisions in regards to their financial, retirement and estate needs and goals. Leanne Kaufman, Head of RBC Estate & Trust Services, has spoken at a range of client-facing events with WBHI and sees firsthand the positive impact of education and information sharing when it comes to engaging women in planning for their financial health, now and in the
future. “For women, it’s vitally important to recognize that statistically speaking, there is a likelihood of facing a time when we are physically but not mentally able to sustain and protect our financial well-being, ensure our wishes and intentions are carried out, and choose the care and lifestyle that we want for ourselves in our later years. As a society, we have somewhat ignored that eventuality for both men and women,” Kaufman explains. With an aging demographic in Canada, however, the time is now to turn a focus to that component of planning.

“Women also need to be cognizant of the fact that, statistically speaking, chances are at some point in their lives, the financial responsibilities and burdens of the entire household will be on them,” Kaufman notes. With that in mind, and combined with the realities of age-related brain issues that affect women, ensuring financial and estate affairs are in order takes on a heightened level of importance.

**Age-related considerations for women**

Canadian statistics indicate that overall life expectancy continues to be on the rise, and that females are outliving males by approximately four years. The caveat here, however, is that for many women these years aren’t necessarily healthy ones, as many spend their later years faced with challenges associated with cognitive decline (or physical decline, or a combination of both). From a financial and estate planning perspective, this brings to light the critical importance of turning a focus to those decisions as much in advance as possible.

Kaufman recommends that women give careful and thoughtful consideration to how they want to live their later years, specifically after retirement or another trigger event takes place. “For many, this involves separating what it is that you want versus what you actually and may potentially need,” she notes. While creating a wish list of travel, hobbies or sports, gifts for children and grandchildren, or philanthropic goals is an important part of the process, all of those wants must be appropriately balanced with leaving enough for your actual and potential needs down the road. Unfortunately for many individuals and families, there isn’t a great deal of time spent on investigating what the fundamental costs of living may be, including housing, healthcare, assistance, and long-term care, over and above their general retirement and lifestyle wants and requirements. Furthermore, if individuals overlook age-related cognitive decline or brain-aging diseases as a factor, this may leave
the door wide open for significant financial, emotional and family stresses.

**Tackling difficult topics**

While it’s a topic the majority of individuals don’t like to think about and that many assume wouldn’t ever happen to them, the unfortunate reality is that cases of financial elder abuse are on the rise in Canada. In fact, in a 2015 report from the National Initiative for the Care of the Elderly (NICE), it was noted that the prevalence of financial abuse among older Canadians was approximately 250,000 and that the most common perpetrators were adult children or grandchildren, spouses or ex-spouses or siblings. Other studies also indicate that a state of financial vulnerability may start to take place even before the onset or diagnoses of an age-related cognitive condition, which again serves to highlight how crucial it is to be proactive with planning.

Some of the main examples where financial abuse of seniors often takes place include improper use of Power of Attorney or joint accounts, theft, involuntary gifts, undue pressure to sign documents, failing to repay a loan, sharing a home with a senior and not paying equal expenses, or a predatory marriage. While the very thought of these examples may seem unnerving or upsetting to some individuals, the key point to recognize here is that appropriate planning is one of the best methods to decrease and eliminate the potential of these situations occurring and to ensure an individual is financially protected.

**The power of planning**

With the specific considerations for women in regards to brain health and age-related diseases, as well as the larger population as a whole regardless of gender or age, the value of certain aspects of planning, along with working with qualified estate planning and tax professionals as part of a comprehensive team, can’t be understated. In particular, two of the main areas that should be well-understood and prioritized, further to having a valid and up-to-date Will are Power of Attorney and Trusts.

**Power of Attorney**

Planning for the potential of incapacity is a step that all individuals should take, and choosing the right Power of Attorney is one way to ensure an individual’s best interests and intentions are upheld. As Kaufman notes, “Many individuals may have done a simple Will and Power of Attorney, but they may not have really given thought to who they have appointed, the impacts of that, and what the expectations are for that individual.” Selecting an appropriate Power of Attorney should include considerations around financial acumen, ability to travel, age and stage in life, organizational skills, potential for bias, ability to maintain family harmony, and knowledge of the associated duties. Given the demands of the role and to ensure financial protection in the event of a situation of incapacity, a valuable option to consider is independent third-party services, such as those offered by RBC Estate & Trust Services.

“As part of our incapacity solutions, we come in to help in one of two ways — we act as an attorney to manage the assets of an individual who has become incapable, and we provide assistance to individuals who have been named Power of Attorney by taking on some or all of the administrative duties,” Kaufman explains. With a team of qualified professionals and the appropriate infrastructure in place, these services provide clients with assurance in successfully navigating situations of incapacity, as well as a highly effective method of protection.
Trusts

Depending on individual situations, trusts may be a worthwhile option to consider based on the potential safeguarding they offer. In general, they allow individuals to transfer assets yet still maintain control over how those assets are used, through a named trustee. So when age-related financial vulnerability or potential family stress or financial abuse are a focused concern or even just a general consideration, trusts may function as a very effective means to protect assets. Much like choosing a Power of Attorney, selecting a trustee should involve the same careful consideration, and again here, some individuals may benefit from opting for third-party services. Specifically in relation to trusts, RBC Estate & Trust Services offers the establishment and administration of trusts, where they act as sole, co- or successor trustee, and offer a full range of support for those who have been named as trustee.

While brain health is a topic that has gained significant ground as an overall movement among the Canadian population, there is still progress to be made specifically in regards to issues that affect women, as well as how those issues and realities impact financial health and security. By engaging in the research, understanding risk factors, improving awareness of the connection between brain and financial health, and then turning a focus to educated wealth planning, individuals will be empowered in making effective decisions to safeguard their personal and family future, both emotionally and financially.

References:
1. http://womensbrainhealth.org
RBC Estate & Trust Services works with clients and their advisors to help achieve peace of mind now and for the future.

RBC Estate & Trust Services
- Trust solutions
- Estate solutions
- Incapacity solutions
  - Acting as attorney to manage the assets of a person who has become incapable
  - Power of Attorney Administration (POAA): giving guidance to individuals who have been named attorney by taking on some or all administrative duties
- Specialized services

Our Estate & Trust Services team comprises of specialized and experienced professionals including legal counsel, accountants and other specialists with years of estate and trust experience. We are an exceptionally strong professional trust services firm, supported by the strength, stability and resources of RBC Financial Group, Canada’s largest bank.

For more information, speak with an RBC advisor, call us at 1-855-833-6511 or visit our website at https://estateandtrust.rbcwealthmanagement.com.
Lemon salmon with turmeric broccoli salad

Memory morsels
Turmeric contains curcumin, which has anti-inflammatory properties and is an effective substance that removes plaques from the brain.

Instructions

1. Prepare the ingredients: Using the fine side of a grater, grate (“zest”) the lemon peel until you have about 1 tbsp. of zest. Cut the lemon in half and squeeze the juice into a small bowl, removing any seeds. Rinse the jalapeno. Gently cut the top and sides off, trying to get any long strands. Discard the seeds and centre, unless you like it spicy. Rinse and chop the broccoli into florets. Rinse and thinly slice the radishes. Mince the garlic.

2. Coat the salmon: Pat the salmon dry with a paper towel. Crack the egg into a medium bowl and whisk with a fork. Add the fish and toss to coat. Pour the cornmeal onto a plate. Add the fish and flip to fully coat both slides. Season with salt and pepper to taste.

3. Cook the salmon: Heat 1 tbsp. olive oil in a medium pot over medium heat. Add the coated fish and cook until the cornmeal is browned and crispy, about 8 minutes. Transfer to a plate and sprinkle with half the lemon juice. Return the pot to the element and add the jalapeno, red wine vinegar, remaining lemon juice and zest, and half of the garlic. Cook until heated through, about 3–4 minutes. Then pour the sauce into the small bowl used earlier for lemon juice.

4. Make the turmeric broccoli salad: Return the pot to the element over medium heat. Add the broccoli, remaining garlic, and ¼ cup of water. Cook, stirring occasionally, until most of the water has evaporated and the broccoli is fork tender, 5–6 minutes. Drain broccoli. Add the turmeric vinaigrette and stir to coat.

Nutritional breakdown (per serving)
Calories: 467
Protein: 27 g
Carbohydrates: 25 g
Fats: 31 g

Nutrition information calculated from the Canadian Nutrient File database: https://food-nutrition.canada.ca/cnf-fce/index-eng.jsp.

Recipe and image reprinted with permission from Memory Morsels – A Women’s Brain Health Initiative, http://memorymorsels.org, and Andres Marquez, Mexican Culinary Architect.
For many successful business owners, there is a basic life cycle that may generally describe the path and stages they have gone through with their businesses: start-up, development and establishment, and maturity. Specifically within the maturity phase, this often marks a time when the mentality for business owners begins to shift to questions around the future of their company. Of course, tackling thoughts as to what happens next and preparing to exit a business may often be extremely emotional and challenging for many owners, especially given the vast array of factors to consider in business succession and planning in this regard.

When it comes to the transition of assets and wealth as a whole, there is a general lack of preparedness among Canadians, and this is something that carries through to business owners as well. In fact, as findings noted in the recent “RBC Wealth Management 2017 Wealth Transfer Report,” one in three individuals (including professionals, entrepreneurs, business owners and retirees) have done absolutely nothing to prepare. And while a shortage of plans is likely to have certain negative consequences for all types of wealth transfer, it may have even greater implications for business owners from personal, family, wealth, tax, retirement and estate perspectives, given the different stakes and complexities associated with business situations. As such, it is vitally important to recognize not only the value of proper business succession planning in general, but also how crucial it is to take the right steps ahead of and during decision-making in order to implement appropriate methods and effective approaches.

**Business owner realities in Canada**

In looking at the overall population demographics within Canada and the significant shift taking place in the coming years as Baby Boomers move into their retirement years, it is important to recognize what this means from a business owner standpoint, as well as the large-scale impact on individuals, families, businesses and the economy. From an age standpoint, statistics indicate that the highest percentage of small (1–99 employees) and medium-sized (100–499 employees) business owners in Canada are between the ages of 50 and 64; and, the second highest percentage are those between ages 40 and 49. Furthermore, these two age categories specifically represent 73.5
percent of all small business owners and 78.3 percent of all medium-sized enterprise owners. With those statistics in mind, it is clear that as a country, we are nearing a massive turnover of business ownership and assets, and this is confirmed by recent findings in a report from the Canadian Federation of Independent Business (CFIB). In its survey results, it was noted that approximately two-thirds of business owners plan to exit their business within the next five years. Of those owners, 85 percent say retirement is their reason for exiting. And with growing numbers of female entrepreneurs in recent decades — according to 2014 data from the Government of Canada, women have equal or majority ownership in over 35 percent of small and mid-sized enterprises (SMEs) — considerations around planning for succession are crucial among both genders.

Despite these striking statistics, however, the unfortunate reality is that despite age factors and exit intentions, very few business owners actually have succession plans in place. According to CFIB data, only nine percent of business owners have a formalized, documented succession plan. While approximately 40 percent do say they have some sort of informal plans, that still leaves just over half with no plans at all. At individual company, industry or sector, and national levels, the implications of this lack of planning may be both significant and far-reaching, especially given the fact that small and mid-sized enterprises employ more than half of all employed Canadians.

Exploring various options

One of the main overarching questions many business owners struggle with is whether to transition their business to a family member or whether to sell it to a third party. Some individuals may have an idea as to their intentions for the future of the business, and it is often common among owners to have a natural desire and hope to pass on the business to successive generations and keep it in the family. Here it becomes important to remember one of the central principles of succession planning, which is that in order for a plan to be successful, it needs to balance the needs and goals of family and business; with that in mind, it may therefore prove very beneficial for
business owners to follow a general planning framework as a guide and point of reference. Further to providing a level of organization in the planning process, a general framework also ensures important business, family and personal aspects are properly addressed and may often function as a source of motivation and commitment for family members, as it provides a clearer picture as to what is and will be planned. The basic structure of this framework should focus on three phases:

1) Discussing the vision and setting clear and defined goals.
2) Gathering decision-making inputs.
3) Identifying and analyzing options.

Within this basic framework, there are also some key assessments that should take place as part of an overall detailed review of both business and family circumstances and goals. The following are four main assessment areas owners need to critically examine as part of the decision-making process that account for both internal and external factors:

• **Assessing a child’s, children’s or other family member’s desire and capabilities to take over the business.** Among some business owners, there may often be an assumption that children or other family members want to participate in the business; however, this may not always be the case and reinforces the importance of communication among family members, understanding views and interests of all family members, and the potential value of qualified professional services to help assess and facilitate this decision. Given its centrality, this assessment should be one of the first matters to address.

• **Assessing the future viability of the business.** This assessment should begin with the industry within which the business exists and then move on specifically to the business itself. It is important here to understand risks such as future competition, potential challenges, potential changes in law or legislation, and merits of keeping or selling the business. Developing this clearer understanding of the business landscape should also include a review of the company’s strengths and weaknesses.

• **Valuating the business.** This exercise is required not only to determine value, but also to put a financial context to the owner’s succession. It assists in clarifying the financial viability of the business owner’s exit and/or retirement and how much risk they can afford to take to achieve their individual goals. Additionally, valuation is a useful exercise to understand how to drive value prior to exit.

• **Assessing the saleability of the business.** This assessment may be closely linked to the viability evaluation and may depend on a variety of elements including type of business or industry, dependence of the business on the owner-operator, location, economy or otherwise. Sometimes, factors beyond the owner’s control may prevent the sale of a business, even when keeping the business may not be the preferred alternative. In these cases, the family’s broader objective of maximizing wealth from the business would likely be the deciding factor.

As these assessments illustrate, following a thorough and appropriate decision-making process is so crucial to the creation of and ultimate success of succession plans. Through performing and properly utilizing these assessments within the larger framework for business succession planning, it then becomes easier to map out specific outcomes and appropriate actions to take to help achieve those outcomes.
## Outcome and possible actions

<table>
<thead>
<tr>
<th>Pass on to next generation</th>
<th>Sell to non-family buyer</th>
<th>Hybrid</th>
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<tbody>
<tr>
<td>Next generation is capable</td>
<td>Next generation not interested</td>
<td>Next generation is capable</td>
</tr>
<tr>
<td>Good long-term outlook</td>
<td>Uncertain future</td>
<td>Business is too large to risk</td>
</tr>
<tr>
<td>Retirement is secure</td>
<td>Retirement financially at risk if passed on to next generation</td>
<td>Capable management that is interested in ownership</td>
</tr>
<tr>
<td>Challenging to sell business</td>
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</tbody>
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### Action

- Groom successor
- Hire additional management team to supplement successor
- Pass on ownership but limit management role
- Consider wealth planning strategies such as estate freeze, retirement planning, tax planning, etc.

- Determine value before exit
- Select strategic time to exit
- Implement solution to mitigate tax on sale of business
- Engage qualified sale of business professionals

- Partial or gradual sale
- Hire potential future buyer
- Combine Management Buy-Out with transition to next generation
- Consider wealth planning strategies

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When business meets family

For many business owners, a central source of worry or challenge is trying to maintain family cohesion, in advance of, leading into and throughout the succession process. In fact, it is often a strong sense of fear around creating family disharmony that deters many individuals from putting succession plans into place, or from even having discussions about it with family members. Unfortunately, while it may seem easier from an emotional standpoint to follow the path of least resistance, pushing discussions and decisions off won't avoid the eventuality of succession. Instead, it only increases the likelihood for conflict, stress, uncertainty, and the potential faltering or failure of the business in the long-run. As such, a shift in thinking and perspective may be needed to recognize succession not as an event, but rather a process that requires a great deal of advance thought, discussion and planning.

In general, priorities need to focus on every family member gaining shared insight, because harmony and family cohesion are generated when the views of all family members are considered and respected and are then woven into the family's overall value system. Ultimately, the development of these values will help to define common family goals, and one of the best ways to facilitate this is through regular, inclusive multi-generational discussions and structured family meetings. Here, it is also important to establish boundaries as to when, where and how that communication takes place, so there is a distinct separation between focused business discussions and conversations at family gatherings, for example.

Turning a focus to communication and dialogue

To build and facilitate ongoing and open communication among all family members, scheduled family meetings may be very useful. In general, family meetings are more effective when properly planned with agendas and discussion points tailored to the family's circumstances and dynamics, and there are certain steps families can take to help achieve open, transparent communication. These may include creating a code of conduct for meetings, including all family members in the discussion of potential options and consequences of decisions that are being considered, supporting an open forum
where family members can share their opinions, and selecting a competent family leader or independent facilitator to initiate and lead the process.

The value of communication in business succession planning is something that was commonly noted within the qualitative data collected in complement to the “RBC Wealth Management 2017 Wealth Transfer Report.” A number of business owners specifically stressed the powerful and central role of conversations and discussions with the next generation, often focusing on values as they related both to the business and the family. Those conversations took place more formally through meetings, but informally as well, sometimes even through conversations at the dinner table, and what these respondents consistently noted was the positive impact that communication had in smoothing the overall process and educating the next generation. Given that every family and business is unique, what it really comes down to is finding the right format and balance that works for your family and suits individual dynamics.

Benefits of comprehensive plans
In contemplating and considering the wide range of components, aspects and potential issues associated with business succession, it becomes increasingly clear that the process may often be quite complex, especially when family dynamics, tax and legal considerations, business realities and goals, and financial risks or opportunities are tightly intertwined. For this reason, taking the time to give advance thought to, discuss, discover and analyze planning options is vitally important. Formal, comprehensive and documented plans serve a central purpose in succession and beyond the larger considerations and aspects, they also account for so many additional details that informal plans simply cannot, including the mechanics for the purchase or transfer, how successors will be trained for their roles, a process for resolving disputes during the process, and timetables, for example.

In much the same way that every family and business is different, so too are succession plans, and it is the unique and complex aspects that highlight the value of the guidance and expertise that comes with comprehensive professional planning services. With a team of qualified professionals spanning from business strategy and planning, to tax and legal, to retirement and estate planning to effectively address complexities and facilitate the process in each area, business owners can gain the assurance that their plans are fully integrated and appropriately aligned for a smooth and effective transition in a way that best suits family and business circumstances and goals.

For business owners who are beginning to think about or are nearing the transition or succession of their business, it is understandable that there are heightened emotions and perhaps reluctance in letting go. In addressing this challenge, it may be very beneficial for many business owners to shift their thinking to the significant time, effort and planning they put into starting, building and maturing their business. This very same mindset should be carried through and applied to succession and is imperative for successful planning, as it will help ensure the best outcome for the business in a way that optimally supports family harmony.
Summer stuffed pepper and bean salad with raw mustard dressing

Memory morsels
A diet high in beans supports the brain with well-needed amino acids, and our favourite brain fuel, glucose.

Prep time: 10 mins
Serves: 2–3

Ingredients

Stuffed Pepper and Bean Salad:
1 red bell pepper (per person)
3 tbsp. sweet mustard
¼ cup fresh-cut cilantro
¼ cup each 6 fillings (see options in Instructions)

Raw Mustard Dressing:
¼ cup yellow mustard seeds
¼ cup brown or black mustard seeds
½ cup apple cider vinegar
½ cup water
3 tbsp. agave, honey or date syrup
½ tsp. turmeric
Sea salt to taste
¼ tsp. garlic powder (optional)

Instructions

1 Raw Mustard Dressing:
Soak seeds in water and apple cider vinegar for a minimum of 24 hours (the longer the better). Transfer seed mix to food processor (or high speed blender), add remaining ingredients and blend until smooth. Add water to reach desired consistency, or more sweetness if required. Store in the fridge until ready to use.

2 Pepper and Bean Salad:
De-cap and gut the pepper. Put aside. Pick 6 of the following (1/4 cup each): diced avocado and/or tomato; sprouted chickpeas, lentils or beans; red onion; kale or spinach; mixed seeds; carrots; celery; edamame; or any other favourite. Mix all chosen ingredients into a bowl and coat with the mustard until desired coating is reached. Add ¾ cup of vegetables per additional person. Fill the pepper with bean salad and enjoy the edible bowl – can be served with the cap off, or on for a surprise!

Nutritional breakdown (per serving)
Calories: 271
Protein: 9 g
Carbohydrates: 48 g
Fats: 2 g

Note: Nutrient totals will vary depending on filling ingredients used.

Nutrition information calculated from the Canadian Nutrient File database: https://food-nutrition.canada.ca/cnf-fce/index-eng.jsp.

Tax aspects and strategies

The following list includes some strategies that may be useful in helping to minimize the tax consequences for individuals selling their active business to an outside buyer. Note: Given that this list is non-exhaustive and that every business situation and structure is unique, it is critical to consult with a qualified tax professional to ensure your specific circumstances have been appropriately evaluated.

A. Determine if the purchaser is interested in purchasing the assets or the shares of the business. If they are interested in purchasing the assets, then you will not be eligible to claim the capital gains exemption ($835,716 in 2017). As a result, individuals should consider negotiating a higher sale price to factor in the additional tax that will be incurred on the sale of the assets of the corporation and the after-tax sale proceeds the corporation will pay out to you as a taxable dividend. The capital gains exemption can only be claimed by an individual on capital gains resulting from the sale of qualified small business corporation shares or qualified farm/fishing property.

B. If the purchaser is willing to purchase the shares of the business, then ensure the shares qualify for any remaining capital gains exemption available to use. If all or substantially all of the business assets are not considered active Canadian business assets at the time of sale, then the shares will not qualify for the capital gains exemption. As a result, the shares may need to be “purified” prior to the sale. Non-active assets generally consist of an investment portfolio not used in day-to-day business activities. Furthermore, more than 50 percent of the assets throughout the 24 months prior to sale must have been used in an active Canadian business in order to qualify for the exemption.

C. Consider having your advisor prepare a financial plan to determine if the expected after-tax sale proceeds are adequate for you and your family to meet your retirement income and estate planning goals. Your advisor can also have a discussion with you regarding effective structures for the post-sale proceeds to achieve goals such as maximizing retirement income, minimizing tax and maximizing your estate.

D. If you have a prospective purchaser for your unincorporated business (a commercial enterprise that is owned privately by one or more individuals), consider incorporating and selling the shares to use the capital gains exemption.
to consider when selling a business

**E** Consider the pros and cons of setting up an Individual Pension Plan (IPP) or a Retirement Compensation Arrangement (RCA) prior to the sale of the business. An IPP is a defined benefit registered pension plan that your corporation can set up where contributions made are deductible from your corporation’s income. Similar to an IPP, an RCA is an arrangement where contributions are made by the company and provide an immediate deduction to the company. Depending on individual circumstances, an IPP or an RCA may help you defer some of the tax upon a future sale. If the sale is structured as an asset sale, then the employer’s contribution to these retirement plans may assist in reducing the corporate tax and deferring your personal tax. For this strategy to work, it is recommended that you continue to receive T4 income and pensionable service from the corporation that set up the IPP or RCA for a few years after the sale.

**F** If the sale isn’t imminent and the value of your business is increasing, an estate freeze and reorganization of your corporation may allow future capital gains to accrue to other family members and possibly multiply the use of the capital gains exemption.

**G** If the shares of your business are sold, consider reinvesting some of the proceeds in the shares of another active Canadian private company in the year of sale or within 120 days after the year of sale in order to defer some of the capital gains tax on the sale.

**H** Use some of the sale proceeds to make a charitable donation in the year of sale. The donation tax credit may help minimize the tax on any capital gains realized on the sale. If the donation is expected to be at least $25,000, consider the benefits of setting up your own charitable foundation in the year of sale through the RBC Charitable Gift Program.

**I** Consider receiving the sale proceeds over several years using a capital gain reserve to spread the gain and the resulting taxes payable over a longer period of time.

References:
A **holistic approach**

to responsible investment

Incorporating environmental, social and governance (ESG) criteria into overall investment processes.

In recent years within the investment industry, there has been a growing focus on considering and integrating environmental, social and governance factors (known as ESG) within investment decision-making and processes. The role and impact of ESG integration within overall investment practice is far-reaching and has the potential to add value by enhancing the long-term sustainable performance of portfolios. From an organizational perspective, research indicates that companies with strong ESG-related practices have lower risk, lower cost of capital, better operational performance and generally have better share price performance over the longer term. Approximately half of Canadians consider aspects of responsible investing as part of their investment decisions.¹ These factors seem to be an even stronger driving force among Millennials, as studies indicate that approximately two-thirds of Millennials consider environmental, social and governance factors as part of investment decision-making and that 82 percent think responsible investing will become more important over the next five years.²

Currently at the institutional investor level (including pension funds, foundations and endowments), there is a proactive and conscious shift taking place towards responsible investing as a tool to improve the investment process, a shift that is also beneficial to retail investors. RBC Global Asset Management Inc. (RBC GAM) is a proud Canadian leader in ESG integration/responsible investment.

**What is ESG?**

At a high level, ESG investing can be defined as an investment practice that focuses on integrating the three ESG factors — environmental, social and governance — into the fundamental analysis of investments, to the extent that they may have an impact on investment performance. The degree to which ESG criteria is relevant to an investment will depend on three key things: the company itself, the industry it operates within, and the nature of the investment vehicle for which securities in the company have been purchased. Specifically within each of the ESG factors, consideration is given to components such as the following:

**Environmental:** The impact of a company’s activities on the climate and the environment, including greenhouse gas emissions and the risks and opportunities presented by climate change, energy efficiency, pollution, water and waste management, site rehabilitation, biodiversity and habitat protection.

For more information about responsible investing and the integration of ESG within RBC GAM, please visit:

Social: Human rights, community consent/impact, respect for indigenous peoples, employee relations and working conditions, discrimination, child and forced labour, health and safety, and consumer relations.

Governance: The alignment of interests between the company and its shareholders, executive compensation, board independence or composition, board accountability, shareholder rights, transparency/disclosure practices, financial policies and the protection of private property rights.

Within RBC GAM, it is important to note that its investment teams have always considered these factors to a certain extent, but the more recent firm-wide integration of ESG factors throughout the investment process across all asset classes marks a formal and proactive commitment to responsible investing as a whole. This approach has been carefully developed and rolled out to all of its investment teams over the course of the last three years and is backed by research, resources and tools that enable each investment team to formally and successfully integrate ESG factors that may have a financial impact on their funds’ investments.

Differentiating between socially responsible investing (SRI) and ESG integration

It is important to recognize that socially responsible investing (SRI) or ethical investing is very different from ESG integration. Specifically, socially responsible investing is a portfolio construction process that attempts to avoid certain investments according to defined ethical guidelines. In other words, SRI is values-based and involves the formal integration of social values into the traditional investment process. It focuses on screening out or excluding particular investments based on a defined set of values, and an example of this may include screening out investments in companies affiliated with the tobacco, alcohol or gambling industries.

UN principles of responsible investment

1. Incorporating ESG issues into investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into ownership policies and practices.
3. Seeking appropriate disclosure on ESG issues by the entities in which we invest.
4. Promoting acceptance and implementation of the Principles within the investment industry.
5. Working together to enhance effectiveness in implementing the Principles.
6. Reporting on activities and progress towards implementing the Principles.

RBC GAM Socially Responsible Investments

For individuals who feel strongly about specific values-based investing or who prefer to exclude certain industries or sectors that they feel are objectionable, RBC GAM offers a suite of SRI funds that integrate SRI criteria into the investment process by screening potential investments based on their ESG policies or the industries in which they operate. For more information on SRI funds or to learn more about socially responsible investing in general, please visit: http://funds.rbcgam.com/investment-solutions/socially-responsible-investments/index.html.
ESG investing, on the other hand, does not involve negative screening or values-based judgments about a particular security or sector. Rather, it applies much more broadly to the entire process across all investment strategies. The integration of ESG factors is a more holistic approach to investing and involves an enhanced analysis of companies to better understand their ESG-related risks and opportunities.

**Key components of ESG investment practices**

In addition to integrating ESG factors into the investment process, there is a growing recognition that investors are required to be active stewards of their investments through regularly monitoring investment performance (on ESG issues and otherwise), actively engaging with the companies in which they are invested, and thoughtfully exercising all of their proxy voting rights.

“Engaging” or “engagement” refers to direct communication and constructive dialogue with the boards and management of investee companies. The purpose of engagement is to better understand a company’s approach to ESG issues, communicate an investor’s views, obtain information in advance of a voting and/or investment decision and where appropriate, to encourage the company to adopt better practices. As such, engagement can be an important tool to encourage companies to make changes designed to improve shareholder value over the longer term.

Proxy voting is a central component of RBC GAM’s engagement process, providing an important way to convey its views to boards and management. RBC GAM has an obligation to make voting decisions independently, and in the funds’ best interest in accordance with its custom Proxy Voting Guidelines. Those guidelines offer an overview of the corporate governance principles RBC GAM supports and how it will vote on ESG-related issues. RBC GAM has committed significant resources to proxy voting, allowing it to internally assess every voting decision individually. For more information on RBC GAM’s Proxy Voting Guidelines or proxy voting reports, please visit: [http://funds.rbcgam.com/investor-information/proxy-voting/index.html](http://funds.rbcgam.com/investor-information/proxy-voting/index.html).

**Putting approach into practice**

In the shift towards adopting and integrating ESG factors as part of the overall investment process, European institutional investors have been the leaders. Over recent years, institutional investors within North America have increased their focus on ESG and responsible investing practices, and RBC GAM has been a frontrunner in Canada by developing a credible, comprehensive and effective approach to integrate ESG factors. As part of its commitment to responsible investment, RBC GAM has created a dedicated Corporate Governance & Responsible Investment group to consolidate and lead the efforts in ESG integration and responsible investment. This resource commitment demonstrates RBC GAM’s dedication to understand and effectively integrate ESG criteria into its investment process.

RBC GAM formalized its commitment to responsible investment in 2015 by becoming a signatory to the United Nations Principles for Responsible Investment (PRI), which is an international framework for ESG integration. PRI signatories commit to implementing the six Principles of Responsible Investment and reporting on their activities and progress in implementing them.

References:
Financial planning tips for Millennials

6 main areas of focus in developing strong financial management skills.

Within Canada, the Millennial demographic — loosely defined as those between the ages of 15 and 35 — includes approximately 9.5 million individuals and represents about 27 percent of the total population.¹ Millennials have recently become the largest percentage within the workforce,² and many in this age group will also be the receivers of wealth in the coming years or decades. With these factors in mind, as well as the fact that these years typically bring with them a number of changes personally and professionally and greater financial independence, it’s important to zero in on the value of practical financial management skills and overall financial literacy. This tip sheet provides useful information and strategies within six key aspects to help Millennials build confidence and knowledge when it comes to planning and managing their financial affairs.

1. Identifying short- and long-term financial goals

For some individuals, the process of goal setting and then planning for those goals from a financial standpoint may feel like an overwhelming task when viewed on an overall scale. Additionally, for some Millennials, shifting their mindset to include long-term financial goals may be challenging, as there are often a number of more immediate needs and goals to juggle for those in this age demographic, including post-secondary education, marriage, home ownership or starting a family.

What’s important to recognize, however, is that defining your short- and long-term financial goals is a very beneficial starting point to map out concrete plans for reaching those goals. Further to identifying them, there is also a variety of research that indicates those who write down their goals have a better chance of achieving them.³ Some of the factors that contribute to this improved achievement rate include increased accountability, improved ability to track progress, development of benchmarks or check points along the way, and motivation to stay on course. And regardless as to whether those goals are more immediate or farther into the future, clearly defining and recording them provides an important sense of direction for putting appropriate strategies in place.
Creating a structured savings plan

Regardless of the type or range of goals that you have set and are working towards, it is crucial to understand the value and importance of developing a savings plan. One highly effective approach to consider for saving is determining a specific amount to set aside on a regular basis. This is something that can be achieved through a pre-authorized contribution plan where funds are automatically taken from a paycheque and deposited into an investment vehicle or savings account. In general, a good starting point is to direct three to 10 percent of your paycheque to a savings program. As your paycheque increases over time, it is also important to revisit the amount or percentage that goes into the account and modify it as appropriate.

The overall thinking behind this type of approach is that “if you don’t see it, you don’t spend it” and the pre-determined and automatic component removes the risk of going off course or making an impulse decision that isn’t in line with your overall goals. This type of structure in saving also ensures ongoing positive progress towards goals and is easily tracked and monitored.

Building a spending plan and adhering to it

Further to establishing and using a budget (which itself should be a component in your overall plan) is the importance of developing a realistic spending plan. In today’s day and age, there are a range of online programs and apps to use for budgeting purposes. And while they may be useful and convenient in some regards, the shortfall is that these types of tools cannot make the spending decisions for you; instead, they function more as a tracking method. This is where the value of a defined spending plan comes into play, as it provides
Connect with a skilled advisor
Don’t have an RBC advisor and wish to find one? Please visit: https://www.rbcwealthmanagement.com/ca/en/find-a-wealth-advisor/get-matched-with-an-advisor.

a method for self-checks prior to making purchases or other spending decisions. Spending plans are most effective when they are created in alignment with the identified short- and long-term goals and accurately reflect what amounts individuals are able to work with. In this sense, an appropriate spending plan functions as a helpful reminder of goals and objectives and assists in developing accountability and mindfulness in making financial decisions that you may not otherwise pay conscious attention to. RBC offers some helpful online tools and calculators in this regard, which can be accessed by visiting The Savings Spot at http://www.rbcroyalbank.com/savingsspot/tools-and-calculators.html.

Understanding various forms of debt, as well as considerations for paying down debt versus investing

This is a topic many individuals struggle with, as common thinking is that paying off debt should always be the priority. The main point to recognize, however, is that not all debt is created equal, so individuals need to know what types of debt they have, and then look at the interest rates on that debt in comparison with the rate of return on investments.

Credit cards typically have very high interest rates and are an example of debt to pay down first, as the interest is non-deductible. On the other hand, some debt has interest that is deductible for tax purposes, such as certain types of student loans, and it may be considered debt to defer paying down. When considering where investing fits in, generally speaking, the decision needs to be based on the cost of borrowing versus the return on investing; in other words, if your after-tax return on investments is more than the after-tax cost of debt, investing may be a more beneficial option (keeping in mind, however, the risk behind the investment choice). Note: To ensure your specific circumstances have been properly evaluated, it is important to consult with a qualified tax advisor.
Developing a basic knowledge of investment options

This strategy closely ties back to the creation of a savings plan, as individuals need to be aware of the different types of plans and accounts that exist and the potential benefits of each, depending on one’s circumstances and goals. In regards to registered accounts, two main options to examine are Tax-Free Savings Accounts (TFSAs) and Registered Retirement Savings Plans (RRSPs).

Specifically, TFSA offers flexibility and one of the key features is the tax-free growth. TFSAs can be opened by any individual with a social insurance number who is at least 18 years of age. Individuals can contribute up to their contribution room, and carry forward any unused contribution room. An individual who was 18 years of age as of 2009 and has never contributed to a TFSA would have contribution room of $52,000 as of 2017. The amount invested in a TFSA grows tax-exempt and it can be withdrawn at any point, and the full amount of withdrawals can be put back into the TFSA in future years. This savings option often appeals to those for use with short-term goals, but it is also a worthwhile option for long-term goals. RRSPs are less flexible but offer a main advantage of tax deductibility, as individuals regain some of the funds in the form of a tax refund. RRSPs also provide the use of funds for the Home Buyers’ Plan, where individuals can withdraw up to $25,000 tax-free from their RRSP to use towards the purchase of their first home, as well as the Lifelong Learning Program, in which a maximum of $20,000 can be withdrawn to fund full-time training or education for an individual or his or her spouse or common-law partner.

If an individual has topped up their TFSA and RRSP, they may want to examine non-registered investment vehicles. Here, however, understanding taxation as it relates to interest income, dividend income and capital gains is critical, so it is important to work with a qualified advisor to make those decisions. In general for all investment considerations, speaking with a qualified advisor is worthwhile to ensure the best options are selected to suit your goals and needs, and to strategize short- and long-term in the most effective ways.

Prioritizing overall financial literacy

When it comes to financial planning, there is great value in building and improving overall knowledge about financial topics, as research indicates there is a direct connection between high levels of financial literacy and confidence in financial decision-making. With this in mind, it is important for Millennials — along with their parents or other family members — to make financial learning and literacy a priority. For some, this education may come from formal programs or online research and resources. A useful tool to consider in this regard is the Canadian Financial Literacy Database (https://www.canada.ca/en/financial-consumer-agency/services/financial-literacy-database.html), which helps individuals search for information, tools and events on a wide variety of financial topics from a range of Canadian organizations. Further to programs or self-directed education is more informal learning that may occur through family members, and it is here that open communication, exposure to financial management or family discussions may prove beneficial. Another key individual to consider as a valuable resource and who can offer support and expertise in helping you build improved financial literacy skills is a qualified advisor.

References:

Employer programs

Many employers offer a variety of programs to help support their employees in saving for the future. Common ones include a pension plan or an employer-sponsored group RRSP plan or contribution matching program. As such, it is important to understand what programs are offered by your employer and participate to the maximum as much as possible.
Gaining perspective on women in wealth transfer and overall wealth planning

Examining trends, realities and areas of focus among females.

Reflecting back on the social and economic landscape three or four decades ago, some very strong gender differences between men and women are evident. Gender gaps were especially prevalent in areas such as employment, job types and salaries, as well as in the level of responsibility, confidence and knowledge regarding financial decision-making. From an employment standpoint, consider the fact that in 1976, the employment rate for women hovered at approximately 40 percent, whereas the rate for men at that time was just over 70 percent.

As of 2016, the employment rate in Canada was 57.5 percent for females and 64.9 percent for males. More specifically in reference to women between the ages of 25 and 54, the employment participation rate is currently above 80 percent — this marks an increase of about 30 percentage points since 1976. Women also now comprise roughly 47 percent of the workforce. In general, this increased participation of women in the workforce is one of the most significant social trends of the last four decades, but the progress and shifts extend well beyond that. Women represent 56 percent of students enrolled at Canadian post-secondary institutions; statistics indicate that of all small and medium-sized enterprises, just under half are partially or fully owned by women; and, approximately one-third of women outearn their spouses.

As the wealth among women continues to grow within Canada, so too does its significance at a variety of levels. Beyond the overall female empowerment and motivation reinforced by these statistics, it is vitally important for women to recognize the substantial impact of these realities on their individual situations and then apply them from financial and wealth transfer planning perspectives. In turning a focus to the shifting gender trends both socially
and financially, key areas of relevance for many women, now and in the coming decades, may lie within the realms of wealth inheritance, accumulation and preservation. And more broadly as part of the planning process, this is where it becomes so vital to consider life events and potential situations that may apply particularly to women at various stages — whether those are personal, career or family related.

**Women as potential double inheritors**

When it comes to the upcoming historical wealth transfer taking place over the coming decades, the relevance as it relates particularly to women cannot be overlooked. One of the key reasons behind this significance is that many women may stand to inherit twice — that is, from their parents’ generation and from their spouses or partners, given that statistics are showing women have longer life expectancies than men. While the overall difference in life expectancy between men and women in Canada is approximately four years, there is research that also indicates widowed females in the Baby Boomer generation may live an additional 16 years, as there was a greater tendency for women in that demographic to marry older men.

While the overall difference in life expectancy between men and women in Canada is approximately four years, there is research that also indicates widowed females in the Baby Boomer generation may live an additional 16 years, as there was a greater tendency for women in that demographic to marry older men.

Despite these eye-opening trends, however, it seems the majority of women are not prepared when it comes to planning ahead for wealth transfer. In fact, findings from RBC Wealth Management’s (RBC WM) recent “2017 Wealth Transfer Report” noted that among female respondents, only 22 percent have a full strategy in place. Interestingly, however, that statistic exists in contrast to what many women view as important in wealth transfer, as female respondents who had already received an inheritance noted the “smooth and efficient transfer of wealth to me” as the type of support they valued most during the process. In general, what this seems to indicate is that values unfortunately aren’t quite translating into action when it comes to planning.
The impact of wealth accumulation on planning needs

With the professional and financial successes females have achieved in the workplace, generally speaking this marks a promising and progressive time for women in Canada, whether preparing for future employment, entering the workforce, or already established in their careers. Women are increasingly educated, more women hold positions of influence and are leaders in their professions, and there are growing numbers of female entrepreneurs. What all these trends point towards is that more and more women are poised to accumulate sizeable assets and wealth and therefore continue to control a greater portion of overall wealth in Canada. With this in mind, it is very important for women from young adulthood and throughout their working years to be proactive and informed with their planning, recognizing that their needs may be very different, not only from men’s, but also from women’s of generations past, when you factor in the numerous changing trends and roles in society. What it comes down to then is identifying needs and goals from personal and family standpoints and pairing that with proper knowledge and support to implement approaches that will enable women to both grow and protect their wealth.

Despite these emerging financial realities among today’s women, however, findings from the “RBC WM 2017 Wealth Transfer Report” suggest that many women may feel somewhat uncertain when it comes to financial decision-making. Specifically, it was found that women overall have a lower level of confidence in knowledge of wealth and money topics — specifically among female respondents, only 48 percent feel confident (whereas 65 percent of male respondents feel confident in their knowledge), which may have significant implications for women who are unprepared to accumulate, take on and manage increased wealth.

Life-stage planning for Millennials

For women (and men) who are part of the Millennial demographic (loosely defined as those born between 1981 and 2000), this is a time in which it is especially important to develop a strong understanding of saving, spending and investing for the future, with numerous life events often taking place. Particularly for females at this stage, there are specific circumstances based on recent societal trends that may necessitate different planning needs. For example, many women may get married later, or potentially not at all; some women may choose to pursue additional or continued education to further themselves in their careers; or, some women may become the leading or sole breadwinner in the family. What these examples illustrate is that while each decision or achievement may be personal or professional in nature, it will have an impact financially and may lead to the need for different financial or investment approaches, whether short- or long-term. As such, it is important to define what...
those decisions mean financially speaking, and then recognize that they
need to be mapped out accordingly in an overall wealth plan.

Another key example is women who are specifically planning to have
children, as particular consideration should be given to the financial
impact of taking maternity leave. In Canada, maternity and parental
benefits are available for a maximum of 50 weeks (subject to qualifying
conditions). For most people the basic rate is 55 percent of average
insurable weekly earnings, up to a maximum (which as of January 1,
2017, is $51,300). To obtain complete details and information about
maternity and parental benefits, please visit the Government of Canada
website at www.canada.ca/en/services/benefits/ei/ei-maternity-
parental.html. Another factor to recognize as part of maternity leave
planning is that employer benefits may greatly vary; while some
companies may offer additional coverage or maternity “top up,” other
organizations may not offer any sort of supplement. While individual
circumstances may vary in this regard, the takeaway message is that
these types of income considerations should be accounted for in overall
wealth planning, and it is important to have your own personal situation
appropriately evaluated by a qualified planning professional.

For additional planning information for those in this age demographic,
please view the accompanying article in this edition of Perspectives,
“Financial planning tips for Millennials” on page 44.

Longevity, health and growing trends for wealth preservation

Given the large-scale shift in Canadian population demographics, as
more and more Baby Boomers shift into retirement, key aspects for
women in this age group tie back once again into life expectancies
and what that may mean from a financial perspective, along with
certain health considerations specific to females. In general, life
expectancies overall have been increasing, and this means both men
and women may need to plan for a potentially longer retirement and
factor in the increased likelihood of health issues or greater need for
healthcare support in their later years. Specifically for women, given
the combination of a potentially larger accumulation of wealth and
the potential likelihood of one if not two inheritances, there should
be a heightened focus not only on how to effectively manage the
greater control over family finances, but also ensuring that wealth is
preserved in a way that best suits individual needs and circumstances — throughout retirement and in creating a lasting legacy for generations to come.

Age-related cognitive issues and conditions are another central consideration for women as they plan for, near or reach retirement, as unfortunately, females are much more likely than men to succumb to conditions such as Alzheimer’s, dementia and depression. Here, it is important to recognize the significance and implications of health issues on financial well-being, a topic further discussed within this edition of Perspectives in the article, “Female brain and financial health – the important connection” on page 20.

With aspects such as these in mind, women may want to give increased consideration to retaining and preserving their wealth for longer. This thinking seems to resonate with a number of Canadian women, as 57 percent of respondents in the “RBC WM 2017 Wealth Transfer Report” noted that they intend to pass the entire amount of their wealth to the next generation upon their death, with the top reasons being needing the wealth to fund the lifestyle they want and not feeling they have enough to give away gradually. In the big picture, what these findings may indicate is that there is a growing recognition of the costs of retirement, longer life expectancies, health concerns in later years, and the rising costs of healthcare.

Planning tip for spouses or partners – The Family Inventory

Among a number of families, one key area some may overlook is the importance of ensuring each spouse or partner is fully informed and up to date regarding wealth transfer and estate plans, documentation and account information. Given the potential for increased longevity among the female demographic, this may be an especially critical consideration for women. Some individuals may assume their spouse already knows these details, but there are often scenarios in which only one spouse handles certain accounts, investments or assets, for example. Therefore, a beneficial starting point is to ensure you and your spouse compile a collective inventory and list of information pertaining to your family’s accounts, advisors, assets, pension information and insurance policies. To help individuals in gathering a comprehensive list of information, RBC WM offers “The Family Inventory,” a useful guidebook for both logging and updating your financial details. This tool can be accessed by visiting: http://www.rbcwm.com/_ca/static/documents/the-family-inventory.pdf.

Note: This information has been partially excerpted from the RBC Wealth Management Special Report, “Five key questions in estate planning and wealth transfer,” which can be accessed at https://www.rbcwealthmanagement.com/ca/en/special-reports/five-key-questions-in-estate-planning-and-wealth-transfer.
Helping individuals and families with comprehensive planning

The Family Inventory is a tool RBC WM Canada has created to assist individuals and families in the planning process, as well as to help manage the communication aspect when it comes to sharing important information as it relates to plans. This guidebook functions as a useful reference and helps ensure individuals have considered all aspects of their financial affairs. And given the many, and sometimes complex, factors and components that go into overall planning, this also serves to highlight the value offered by professional planning services. Through understanding and appropriately accounting for individual needs and circumstances, and then developing customized, comprehensive plans, these services help individuals and their families in tracking towards and reaching their financial and wealth goals. Don’t have an RBC advisor and wish to find one? Please visit: https://www.rbcwealthmanagement.com/ca/en/find-a-wealth-advisor/get-matched-with-an-advisor.

Empowerment in knowledge

Within the “RBC WM 2017 Wealth Transfer Report,” when it comes to financial and wealth transfer topics, women are more likely than men to learn through informal means, with 52 percent of female respondents noting they learned mainly through family. At the same time, women are also more collaborative in their learning style, with over half seeking out others to supplement their knowledge. These findings demonstrate that women may benefit from pursuing more formal sources of financial education to help build confidence levels in decision-making, and this is an area where qualified professional advisors may be valuable resources for offering expert knowledge, information and guidance.

When it comes to the next generation, whether it’s budgeting, investing or wealth transfer, women respondents across the board think children should be learning about these topics at an earlier age. This holds true among other statistics within the report, as earlier learning boosts financial confidence. In general, women are also more proactive than males when it comes to educating and intending to educate their children on wealth and money topics. These statistics give a promising indication that women are increasingly recognizing the value of financial learning, improving financial literacy and awareness, and in being proactive in passing on that education to the next generation in age-appropriate ways.

As a demographic, women have taken such great strides in closing and eliminating gender divides in employment, professional leadership, education and business ownership, as well as becoming fully active and equal in regards to earning, building and controlling wealth and financial assets. These large-scale shifts and wealth trends are increasingly pushing planning considerations for women to the forefront in Canada, yet there is still ground to be gained in helping many women make the critical connection. The expansion of women’s wealth power necessitates a need for increased focus on planning, and what it comes down to is aligning social and financial realities with appropriate life-stage and life-event planning to help ensure wealth is maintained, managed and passed on in the most effective ways.

References:
   http://www.statcan.gc.ca/tables-tableaux/sum-som/lois/cst02/labor07b-eng.htm
   https://www.thebalance.com/statistics-on-canadian-women-in-business-2948029
Looking at charitable giving and philanthropy from family, legacy and tax perspectives. 

Among Canadians, Canada is often viewed as a society with a strong sense of philanthropy. In looking at the past 15 years, for example, the rate of Canadians who give to charities or non-profit organizations has remained above 80 percent, and just under half of Canadians give back through volunteering.¹ But more specifically than being part of a country with embedded philanthropic values at the collective, national level, individuals may wish to consider philanthropy and charitable giving within their own families and in individual terms — what it means to them and how it may contribute to leaving a lasting legacy, how they want to give back, what the best approaches are, and how to maximize potential tax benefits.

Among many individuals, making charitable donations is a regular aspect of life, whether that’s an annual gift to a charity they feel strongly about or to an organization that has helped a family member, or it may be more spontaneous through responding to a need for donations following a natural disaster, for example. Philanthropy, on the other hand, is a more strategic...
Creating an enduring legacy ... The RBC Charitable Gift Program

Giving ... it’s the very essence of our humanity. A deeply personal expression of one’s beliefs and life experiences.

Benefits:
- Receive a donation receipt for the full value of all eligible contributions made
- Recommend an investment strategy for your Charitable Gift Fund
- Recommend grants from the fund to charities of your choice and on your own timetable
- Turn all administrative paperwork over to our program partner, the Charitable Gift Funds Canada Foundation

Please contact your RBC advisor for more information or visit www.rbcwealthmanagement.com for an introduction to an RBC advisor.
RBC Wealth Management’s Charitable Gift Program enables individuals and families to set up their own foundation that annually directs grants to charities of their choice, and from a multi-generational perspective, it provides the opportunity for families to collectively discuss how the foundation will give back each year. Multiple generations can get involved in the process, and unlike a one-time, major gift to a charity, a gift to your own foundation can live on indefinitely and that foundation can be passed on for generations to come. Furthermore, within your own foundation, you can provide annual giving to one charity you support, or spread out grants to other charities over time. For more information about the RBC Charitable Gift Program, please speak with your RBC advisor, and visit: http://www.rbcds.com/charitable-gift-program.html.

approach to charitable giving through establishing a long-term plan for giving, setting out an individual’s or a family’s goals and working to make that vision a reality. Plans may be very personal in reflecting the donor’s convictions, beliefs and values and may require a greater commitment from those involved to monitor, carry out and evolve the plan.

To aid individuals in determining how philanthropic giving fits into multi-generational wealth transfer, we offer the following planning considerations:

1. Strengthening family values and a lasting legacy

An individual’s motivation for giving is personal and can make a statement about who they are. Regardless of why individuals give, however, giving should be tailored to unique circumstances. Individuals and families who engage in philanthropy have the opportunity to express their values and charitable objectives in a structured form.

Some families may want to consider establishing a family mission statement that includes charitable giving. Part of the process could include simply defining what motivates you to give back to the community. Whether it’s events in your personal or family history, a strong sense of social responsibility, or hopes to make gifts that have the potential to transform or to be a catalyst for change, philanthropy can be a powerful defining feature in your family’s value system. In this sense, it may also present an opportunity for families to develop a shared sense of motivation and purpose in giving back, which can become embedded through multiple generations and helps to promote a lasting legacy.

From a multi-generational standpoint, turning a focus to philanthropic giving within the family could include the involvement and education of younger generations about the role and value of philanthropy, and also gaining their insights about what they are passionate about when it comes to making a difference in the community. For more information on developing philanthropic views among younger generations, please view the RBC Wealth Management Perspectives Magazine Fall 2016 article, “A Canadian outlook – sustaining a culture of philanthropy” at https://www.rbcwealthmanagement.com/ca/en/research-insights/a-canadian-outlook-sustaining-a-culture-of-philanthropy/detail/.

2. Understanding the benefits of “planned giving”

Planned giving is formally defined as the donor-centred process of planning charitable gifts, whether current or future, that meets philanthropic goals and balances personal, family and tax considerations. It presents an opportunity to plan your giving in much the same way as you plan contributions for retirement, insurance and many other financial aspects of your life.

Developing a plan for giving offers a number of benefits, including budgeting and allocating funds in advance, being better equipped to manage unplanned requests for support from organizations, saving time and streamlining record-keeping.
3. Building a philanthropic plan

Important first steps in developing a philanthropic plan are considering charitable donations you or your family have made in the past, assessing the appropriate level of involvement in charitable activities based on your personal and family situation, and determining whether your interests in giving could develop into something more strategic. Additional key aspects to consider are what kind of charitable organizations you’d like to benefit, how much time you are able to devote to the endeavour, and whether you want to make it a long-term commitment. Examining these factors will help in building a realistic framework for strategic giving in the future.

When considering a philanthropic plan, individuals may have concerns around giving away too much, as it may sometimes be difficult to assess the impact of a large donation or of an ongoing series of donations on personal resources. This is an area where a comprehensive financial plan developed with your qualified advisor can aid in helping you see the effect of a gift or a longer-term pattern of giving on your overall financial picture. It may also help in determining the amount and timing of your gifts to ensure the optimal outcome.

4. Understanding and maximizing potential tax benefits

For charitable donations, donors may be able to claim a tax credit, which may result in significant tax savings, depending on their province or territory of residence. Part of considering the potential tax benefits that can be realized includes timing charitable donations appropriately; for example, making a charitable gift at the time you sell property or your business, or when you exercise stock options may help reduce your tax liability resulting from those transactions.

Reference:
https://volunteer.ca/gvp

Tax credits in year of death

For most types of donations, an individual can claim charitable contribution tax credits for donations up to a maximum of 75 percent of net income in a taxation year. Where donations are made for deaths occurring after 2015, donations made by Will or beneficiary designation will be deemed to be made by the estate. The estate can claim a donation in the year a gift is made or in the five subsequent years. If the donation is made by a “graduated rate estate,” the trustee of the estate will have increased flexibility to allocate the donation.
### Maximizing tax benefits of charitable gifts
- Where possible, it is worthwhile to utilize the maximum available tax credits for charitable contributions. Generally, each year, you cannot claim a credit for donations exceeding 75 percent of net income.
- If you exceed the 75 percent limit, you may carry the excess forward for up to five years.

### Making charitable bequests
- Estates may claim a credit for gifts made by a Will or by designation under an RRSP, RRIF, TFSA or life insurance policy (not applicable for Quebec residents). Special rules allowing flexibility to allocate the donation for tax purposes may be available.

### Naming a charity as beneficiary to a testamentary trust
- By doing this, or giving the trustee discretion to allocate funds to a range of beneficiaries that include a charity, the trustee could donate trust income or capital gains to a charitable beneficiary and the resulting tax credit may offset some or all of the taxes payable on the trust income.

### Outright gift to charity
- Direct donations are the most widespread form of charitable giving and allow givers to provide immediate financial support to the cause of their choice and to benefit in return from appreciable tax savings.

### Charitable donations of securities
- Donating a publicly listed security with accrued capital gains means donors will benefit from the elimination of the capital gain, plus the donation tax credit that donors are entitled to claim on their tax return.
- Presents a tax savings opportunity as opposed to first selling the publicly traded securities and then donating the proceeds. In other words, it costs less to make a donation of securities instead of a donation of cash.

### Private foundation
- A registered charity frequently funded by a single source, group or family offering a personalized approach to giving.
- Can be flexible, as grants aren’t tied to a specific charity and directors or trustees can award grants on a case-by-case basis.
- Can be substantial expenditure associated with setup and ongoing administration; crucial to properly assess time commitment and financial resources for charitable activities.

### Donor-advised funds
- Alternative to a private foundation that enables donors to make an irrevocable gift of cash or other assets to a fund administered by a registered public foundation.
- May be beneficial for those who want to create an enduring charitable legacy but not commit time and funds required for a private foundation.
- Donors receive a donation receipt equal to the value of the assets donated.
- Donors can recommend how contributions are managed and which charities are to receive grants, subject to foundation’s final approval.

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Note: This list is non-exhaustive and includes only a selection of strategies and options that may offer potential tax advantages. A financial plan may assist in providing a more comprehensive model for donations. It is crucial to consult with your qualified tax advisor to ensure your individual circumstances are properly considered and addressed and that options are best suited to your needs and goals. Furthermore, when considering a gift of securities, it is important to consult with the charity directly to determine whether they are able to accept this type of gift.
Wealth transfer and the next generation
Being proactive in effectively engaging and assisting those who will be recipients of wealth.

Much has been studied, anticipated and suggested about the next generation in relation to the significant wealth transfer on the horizon in Canada — their state of readiness; the different social, educational, workforce and economic trends they may face; and, how these factors and others may impact their financial decisions or approach to planning. Before looking directly at these aspects specifically as they pertain to the next generation, however, it is important to take a step back and view wealth transfer in its entirety as a multi-generational process.
Beyond the basic process itself, that is, wealth being passed from givers to receivers and the decisions for how to accomplish that, individuals and families should be giving proper consideration to the entire scope of planning, including education, knowledge sharing, family dynamics, communication, preparation, and methods or approaches. Yet, while these components are central to the overall success of wealth transfer to the next generation, this “big picture” thinking and approach seems to be missing among a number of Canadian families. The reality is that overall, research indicates only approximately 30 percent of all wealth transfers are successful (with success being defined as the family retaining control of its assets and family harmony post-transfer to heirs). It was found in this study that 95 percent of the failures were attributable to the family itself — namely, a breakdown or lack of family communication, inadequately prepared heirs, and failure to establish a family mission. With those statistics in mind, unpacking the reasons behind the general lack of success is vital as a means to find the best strategies to meet individual and family circumstances and to help ensure the creation of a lasting legacy for generations to come. As part of successful wealth planning for Millennials, we offer four considerations to help guide the process.

1. Financial education – too little, too late?

Within the recent “RBC Wealth Management (RBC WM) 2017 Wealth Transfer Report,” it was found that the average age respondents began to receive structured financial education in Canada was 26. Strictly from a life stage standpoint, this means many individuals are already well out of their educational years and have transitioned into adulthood (taking on the financial responsibilities and independence that come with it) before they have developed a strong — or sometimes even foundational — knowledge of financial management. As such, many have likely made a number of financial decisions and there is a high likelihood that there may already have been missed opportunities in the areas of spending, saving and budgeting (basic financial principles), investing (investment principles), and wealth management (e.g. Wills, trusts, tax strategies, etc.).

This late age at which many individuals are being introduced to wealth and financial topics may have a number of implications when it comes to preparing to inherit or manage wealth. One of the main issues that may arise for some is the short time span between when they begin to learn and when they actually start to receive inheritances. Within the report, it was noted that, on average, inheritance begins at 29 from the grandparent generation. And while the average age for receiving inheritance from parents is 44 (meaning there is more time to build financial literacy), findings from the report indicate there is a relationship between age and confidence level when it comes to financial decision-making. Specifically, 66 percent of those who were under 18 when they received their financial education feel confident when it comes to financial and money topics; when the education takes place between the ages of 35 and 55, under half of respondents feel confident in their knowledge. With that in mind, helping the younger generation start earlier and engage in structured financial learning may be very beneficial to improve their financial management skills and confidence down the road.

2. Finding the right educational resources

Beyond education in general, it is also important to examine the types and formats through which this learning may take place, and consider which are most effective. Canadian trends reported in the “RBC WM 2017 Wealth Transfer Report” seem to lean towards more informal sources of knowledge and education, the main form being general conversations with family over the course of life. But while this may be the most common method, respondents actually noted that they deemed financial literacy education offered
by their qualified professional advisors to be the most effective in enhancing knowledge of wealth. Other methods that ranked fairly high include training through involvement in a family business, financial advisor meetings and family meetings.

Given the range of methods and the differing levels of effectiveness, individuals and families may benefit from a more varied and comprehensive approach that combines informal and formal learning opportunities. Here, it is important to recognize that there is definite value in the family discussions and those do need to take place; at the same time, however, it may prove very beneficial in broadening education and imparting more knowledge by augmenting personal and family learning with more formal methods, such as through a qualified professional wealth advisor. A starting point to consider in this regard is arranging for your family members and heirs to have an introductory meeting with your qualified professional advisors as a means to establish a relationship among the next generation and to find out about potential financial literacy education opportunities or resources your advisors may be able to offer.

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Financial literacy for youth

For more information on developing smart financial management skills among children, youth and young adults, please view:

- “Financial management among young adults – realities and strategies” (Perspectives Fall 2016 edition):

- “Building financial literacy among the younger generations” (Perspectives Spring 2016 edition):

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Key financial literacy principles for teens and young adults

Learning about wealth and money from a relatively early age may be very beneficial in helping younger children and adolescents develop a general understanding of and comfort level with basic concepts within financial management. Throughout the teen and early adult years, there are also certain concepts and principles that become increasingly relevant, based on life stage and increasing financial independence, and that help to improve overall financial literacy. The following chart outlines some of the key age-specific areas for young adults to focus on to help build knowledge, awareness and overall confidence when it comes to money and wealth topics.

<table>
<thead>
<tr>
<th>Teenagers (14 to 17 years)</th>
<th>Young adults (18 to 28 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Finance Principles</strong> • Spending, saving, budgeting and sharing</td>
<td>• Personal budget</td>
</tr>
<tr>
<td>• Identifying and separating needs vs. desires</td>
<td>• Banking services</td>
</tr>
<tr>
<td>• Consumer types</td>
<td></td>
</tr>
<tr>
<td>• Personal budget</td>
<td></td>
</tr>
<tr>
<td>• Banking institutions and services</td>
<td></td>
</tr>
<tr>
<td>• Credit (Loans)</td>
<td></td>
</tr>
<tr>
<td><strong>Investment Management</strong> • Managing assets to work towards short- and long-term financial needs and goals</td>
<td>• Investment account types (e.g. TFSA, RRSP) and interest</td>
</tr>
<tr>
<td>• Investment principles</td>
<td>• The capital markets</td>
</tr>
<tr>
<td>• Interest</td>
<td>• Investment vehicles (e.g., bonds, stocks, mutual funds)</td>
</tr>
<tr>
<td>• Investment vehicles (e.g., bonds, stocks, mutual funds)</td>
<td>• The importance of diversification (choosing a mix of investments to try and reduce portfolio risk)</td>
</tr>
<tr>
<td>• The “risk and return” relationship (the general principle that the higher the potential return of an investment, the higher the risk)</td>
<td>• The “risk and return” relationship</td>
</tr>
<tr>
<td>• Investment account types (e.g. TFSA, RRSP)</td>
<td>• Market intermediaries (e.g. investment banks or mutual funds, which facilitate the channeling of funds in a financial transaction)</td>
</tr>
<tr>
<td>• Reading and understanding the financial section of the newspaper</td>
<td>• Investment profile and building a portfolio</td>
</tr>
<tr>
<td><strong>Wealth Management</strong> • Comprehensively managing financial, investment, tax, retirement, legal and estate considerations to meet individual and family needs and goals</td>
<td>• Financial services</td>
</tr>
<tr>
<td></td>
<td>• Wealth strategies (e.g. Wills, trust structures, advantageous tax approaches)</td>
</tr>
</tbody>
</table>

For more information on any of these concepts or principles, please speak with your RBC Wealth Management advisor. Don’t have an RBC advisor and wish to find one? Please visit: https://www.rbcwealthmanagement.com/ca/en/find-a-wealth-advisor/get-matched-with-an-advisor.
3. Considering the value of information sharing and preparation

For many individuals who are thinking about or preparing to transfer wealth, a common overarching challenge is determining what information and details to share with heirs. Some are more traditional and conservative in their thinking and have concerns about potential negative impacts of sharing too much information (or any information at all). This is reflected in the “RBC WM 2017 Wealth Transfer Report” from both educational and preparation perspectives; for example, when asked about reasons for delaying financial education among the next generation, 31 percent cite their own lack of preparedness as a main conversation barrier; 27 percent don’t believe heirs are old enough; 15 percent don’t believe inheritors are ready; and, 13 percent aren’t comfortable discussing their own death. More specifically from a wealth transfer preparation standpoint, here again inheritors are often being left with a lot of unknowns. In fact, it was found in the report that only 33 percent of those who have received an inheritance were made aware before receiving any assets. And even when some discussions do take place, they often tend to be very limited or high-level in nature, lacking the depth and details for how individuals intend for heirs to use the wealth or explanations about wealth transfer structures.

Unfortunately for many, when there is a shortage of education or preparation, this may increase the likelihood of financial missteps, uncertainty around intentions, resentment as to why certain decisions were made and family conflict. All of these potential implications combined greatly reduce the chances that a legacy will be preserved. As such, it is critical to understand and consider the valuable impact and role of multi-generational knowledge when it comes to wealth transfer, and to find an approach to learning and information sharing that is most effective for your family. As part of the process, it is important to factor in individual and family circumstances, weighing in potential advantages and disadvantages before choosing the best approach that fits with family dynamics.

<table>
<thead>
<tr>
<th>Potential advantages</th>
<th>Potential disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Gives heirs the ability to proactively and accurately plan ahead for the wealth they are intended to receive</td>
<td>• May create a sense of entitlement</td>
</tr>
<tr>
<td>• Eliminates any element of surprise or shock</td>
<td>• May decrease an heir’s motivation to reach goals, achieve success and build their own financial resources</td>
</tr>
<tr>
<td>• Provides an opportunity for the giver to help heirs prepare in advance and to build improved financial literacy and money management skills</td>
<td>• May create a sense of resentment down the road if the disclosed amount changes due to an unexpected event or illness that forced the giver to use those funds</td>
</tr>
</tbody>
</table>

Source: RBC Wealth Management Special Report, “Five key questions to consider in estate planning and wealth transfer.”
4. Communication and defining family values

When the goal is to create a lasting legacy, it is vital to consider the significance not only of educating heirs in general, but also establishing and maintaining open dialogue to help ensure everyone in the family is aligned when it comes to values and intentions.

Based on the “RBC WM 2017 Wealth Transfer Report,” unfortunately it seems as though most Canadians aren’t recognizing this critical aspect, as it was found that only approximately half of respondents have started to discuss and educate the next generation on financial matters; 41 percent haven’t started yet, but intend to do so, and another 11 percent do not intend to carry out these discussions or impart knowledge at all. Furthermore, there is indication of overall discomfort with confronting the theme of wealth transfer directly, as only 40 percent of respondents feel comfortable sharing all the details with their beneficiaries, and just under half prefer to just talk more generally about the big picture of inheritance.

Here again, the hesitation towards initiating those discussions and opportunities for learning, and avoidance of thorough and open communication may have negative implications, often leading to a situation where heirs have unanswered questions, uncertainty and a lack of understanding, which then ultimately puts them in a weakened position to manage and preserve a lasting legacy.

One very effective method to consider in establishing open dialogue and maintaining communication is through family meetings, which also promote ongoing family harmony by providing heirs and other family members with a forum to share views, concerns or interests. From the perspective of the parent or individual who will be passing down wealth, these meetings also offer the opportunity to share intentions, reasons and context for decisions, and gain valuable insight from family members that may not have otherwise been known. Regular family meetings also present an ideal environment to develop and define family values, with input from all family members. Whether those values are focused on education, philanthropy, the arts, athletics, professions, or otherwise, they are often very beneficial as a source of overarching guidance to promote a lasting legacy — and not just for inheritors but for future generations as well.

Tip: To help improve the effectiveness and direction of family meetings, consider building agendas and nominating a note taker to ensure the discussions are properly documented.
Making Wills a priority

While many individuals understand the basic purpose of a Will, this is an area of planning that is often not given an appropriate amount of consideration, especially among younger individuals. In fact, a survey from the Lawyers’ Professional Indemnity Co. found that among Canadian respondents between the ages of 27 and 34, 88 percent do not have a Will and their most common reason was believing they are too young. But while age may be a main factor in pushing off these decisions, it is important for individuals in this age group to recognize that the significant life events and milestones that often take place during these years, such as buying a home, getting married or having children, make having a Will even more important. For those who have children, a Will is crucial, as it enables you to identify a guardian. Additionally, Wills may offer a range of benefits from a tax perspective (generally minimizing the taxes payable by your estate and your beneficiaries through a variety of strategies) and they also facilitate a smooth and efficient wealth transfer process, as they function as the guiding document in the administration of an estate. Overall, having a valid and up-to-date Will is one of the best ways to protect your family should something happen and ensure assets will be handled and passed down in a way that meets your wishes and intentions.

Note: In the creation or update of a Will, it is important to consult with a qualified legal professional to ensure all information is properly documented and accounted for.
Inspiring and empowering the leaders of tomorrow.

On July 1, 2017, Canada will officially celebrate the momentous occasion of its 150th anniversary. This is a remarkable milestone in our nation’s history and also a year in which a vast array of celebrations and forms of recognition are taking place across the country to honour Canada, its values and its people. There is so much rich and diverse history that has contributed to making Canada what it is today, and as we reflect on these aspects of the past, it is also important to turn a focus ahead on the individuals, moments and endeavours that will continue to define and advance our nation in the years and generations to come.

RBC is proud and excited to honour Canada’s 150th anniversary and the bright prospect of the next generations through its Make 150 Count campaign. “We’re celebrating Canada’s 150th anniversary by showcasing the people who will lead and shape our country’s future,” says Mary DePaoli, chief brand and communications officer at RBC. “Our Make 150 Count initiative will bring to life the power and ideas of young people and how they build prosperity in communities across our great nation.”

This initiative takes a focus-forward approach, engaging youth and empowering them to positively impact their communities and beyond, encouraging them to make a difference. Over the course of the year as part of the Make 150 Count campaign, RBC employees will choose over 3,000 young Canadians between the ages of 16 and 25 from all areas and regions of the country, giving them $150 with one simple request: to do something great with it — no strings attached.

Through this national movement, RBC hopes to shine a light on the potential that every youth across Canada has, reinforcing the importance and value of providing opportunities and investing in younger generations. Already, this initiative has been incredibly successful, and RBC is beyond proud of the youth who have been involved and the remarkable positive impact that has stemmed from this campaign. Here are just a handful of the inspiring stories of what some youth have done with the $150.
Make 150 Count

Marie-Pier, Quebec
Marie-Pier takes pride in being an ideas person, and volunteering and the spirit of giving are simply in her nature; in her words, “I like being present for people.” With her Make 150 Count, she gave back to those in need within her community, purchasing winter coats and boots for two young girls whose family did not have the resources to buy proper winter clothing.

Ailyn, Ontario
Ailyn is an artist who creates one-of-a-kind ceramic pieces in collaboration with elements of nature, and her story perfectly combines the values of artistry, philanthropy, nature and the spirit of giving. Inspired by Make 150 Count, Ailyn embarked on a project she called “Pay it Forward with Plants and Pottery,” hand-making several pots and growing plants for each of them. Ailyn then gave her art pieces away, asking for only one thing in return: that people write down a good deed they intend to fulfill and pay it forward. “What we do, no matter how big or small, creates waves that carry on past our own immediate impact. This project is still ongoing because for every action, we continue to pay the kindness forward,” shares Ailyn.

Roxanne, Ontario
At 16, Roxanne has already faced challenges far beyond her years, having been diagnosed with cancer and going through chemotherapy in 2015. During her chemo, she found great strength and positivity from the nurses who would go the extra mile to make her smile and brighten her day by hanging posters in her room. With her Make 150 Count, Roxanne bought posters and movies for the kids going through chemo at McMaster’s Children’s Hospital in Hamilton, knowing that the smallest gesture can have such a large impact. “Through my experience, I’ve realized that smiling and laughter truly are the best medicine,” she shares.
Neil, Alberta

Neil is very passionate about helping children and giving them opportunities to experience adventures and activities. “Experiences have played such a massive role in my life and serve as some of the best memories I have, so I take pride in helping kids attend things they wouldn’t normally get to do,” he shares. Through Make 150 Count, Neil decided to take a number of deserving children for a fun evening out at Zoo Lights, an attraction in Calgary where the zoo is transformed into a magical wonderland with over 1.5 million lights.

Bryn, Ontario

A fourth-year student at Western University, Bryn is passionate about health, research, leadership and the outdoors, and is one day hoping to work in health policy to help minority groups. With her Make 150 Count, she is planning to hold a health seminar at the Halton Women’s Place, a community-based organization that provides shelter and crisis services for women and their children. “My main objective is to focus on achieving improved nutrition for the women and children while still on a budget. I plan to teach this by sharing knowledge on important nutrients, and providing affordable and easy meal examples,” she shares. Bryn also plans to include an information pamphlet and gift bag with relevant products to maximize the impact of her seminar.

Lara, Saskatchewan

Lara’s family immigrated to Canada from South Africa when she was two years old. “I love living in Canada, and am very honoured to be part of the Make 150 Count campaign,” she shares. With her $150, Lara put together a video of girls in her school showcasing what empowers them. “Whether it’s reading, sports, performing or shopping, I wanted to help improve their self-esteem and build empowerment among girls in my community.”

These beautiful, motivational and often emotional stories exemplify that when we invest in youth, great things happen. To find out more about Make 150 Count or to read or view more of these phenomenal stories, please visit: http://www.rbc.com/make150count/.
PROMOTING BRAIN HEALTH at every age
Two key lifestyle factors that greatly impact cognitive wellness: physical activity nutrition

The human brain. It's the body's most complex organ, comprised of 100 billion neurons that transfer information to nerves at speeds of up to 360 km/hour. Every day, the brain generates an estimated 50,000 thoughts, and more than 100,000 chemical reactions take place every second. While the average brain weighs just roughly 3 pounds (making up only about 2 percent of an individual's total bodyweight), it is the main command centre that controls all of the body's functions and performs vital operations such as the beating of the heart, breathing, maintaining blood pressure and releasing hormones. The countless actions the brain carries out as the major control network for the entire body are remarkable and serve to highlight the critical importance of taking the right steps to help promote and sustain brain health at every stage of life.
In Canada, it’s estimated one in three individuals will experience a brain or nervous system disease, disorder or injury at some point in their lives, and 50 percent of all Canadians have been impacted by some form of brain disorder, either themselves or through a family member. With an aging population across the country, these numbers are only expected to grow. And though neuroscience is still generally considered to be in its early stages, brain health is increasingly coming to the forefront, with growing research and studies indicating a number of modifiable risk factors when it comes to brain-aging diseases and conditions. For men and women of all ages, certain lifestyle considerations and choices may have a significant impact on the well-being of the brain, and two central areas to focus on are physical activity and nutrition.

The role of physical activity

For many individuals, exercise is often associated with the cardiovascular and muscular benefits it brings, but it’s also important to understand how physical activity has a direct positive impact on brain health. In fact, research seems to indicate that of all lifestyle areas, physical activity may be the most important for maintaining brain health, especially for women. A main connection between exercise and brain health is related to neuroplasticity, which is the brain’s capacity to form new neural connections. When individuals engage in physical activity, this helps trigger the growth, repair and improvement of neural connections and at the same time slows aging and the onset of brain-aging diseases. Another key aspect is blood flow; in general, as individuals age, vascular changes begin to take place in the brain, which can decrease blood flow. Exercise that boosts your heart rate helps to combat this, pumping more blood to the brain, and therefore nourishing cells with nutrients and oxygen.

When it comes to physical activity, the Alzheimer Society of Canada stresses the importance of having the right perspective: Adopting a more active lifestyle doesn’t mean all-out, vigorous exercise every day of the week, but rather that smaller, reasonable changes and steps towards improved fitness may go a long way in making long-term, sustainable improvements. In this regard, possible recommendations include:

- Adding simple activity to your daily routine, such as walking to the store instead of driving, taking the stairs instead of the elevator or escalator, and for those who have desk jobs, scheduling a few minutes every hour to get up and move around.
- Choosing activities and sports that you enjoy and that you can do with family or other individuals.
- Joining a team sport or fitness group to also gain the brain benefits of social interaction.
- Using wearable fitness trackers, step counters or mobile fitness apps for motivation and to track progress.

Note: As individual needs differ, it is crucial to discuss your personal fitness situation with a qualified healthcare practitioner.
For more information on various lifestyle aspects and considerations to help improve and sustain brain health, the Alzheimer Society of Canada offers useful information and tips at http://www.alzheimer.ca/en/About-dementia/Brain-health.

WHERE NUTRITION COMES INTO PLAY

Given the complex and intricate nature of the brain, along with the remarkable, nonstop work it performs, there's a crucial need for regular and adequate fuel, and this fuel comes from the energy and nutrients individuals eat and drink. More specifically, dietary choices significantly affect brain chemicals that impact mood, behaviour, thought processes, learning ability and reactions, and key nutrients make a vital contribution to how well the brain works, both over the short-term and long-term.

Within the brain, 60 percent of the solid matter is fat (and the working surfaces of your brain's neurons are composed of thin layers of fat). Furthermore, 30 percent of solid brain matter is protein, which is comprised of various amino acids used primarily to develop and maintain the neurotransmitters (neuron connectors), which they do with the help of certain vitamins and minerals. With these facts in mind, it becomes important to turn a focus to beneficial types, amounts and balance of fats; optimal types and sources of protein; and, key vitamins and minerals, as these may have a considerable effect on brain health.

While the Mediterranean diet (focusing on vegetables, fish, lean meats and olive oil) and the DASH diet (Dietary Approaches to Stop Hypertension, concentrating on whole grains, fruits, vegetables, low-fat dairy, lean meats and legumes) are two fairly well-known and long-studied diets with proven benefits for heart and cognitive wellness, there is a more recently developed food plan gaining recognition for its brain-boosting benefits. The MIND diet (Mediterranean-DASH Intervention for Neurodegenerative Delay) combines the two food plans, emphasizing foods specifically linked to brain health, and research indicates for those who follow it, there's a 53 percent lower risk of developing Alzheimer's. For more information on the MIND diet, please visit: http://www.heartandstroke.ca/articles/eat-to-protect-your-brain.
## 7 Key Nutrients for Brain Health

### Nutrient | Description and Key Functions | Food Sources
--- | --- | ---
**Omega-3 fatty acids (ALA, DHA, EPA)** | • Comprised of ALA (alpha-linolenic acid, DHA (docosahexaenoic acid) and EPA (eicosapentaenoic acid). DHA and EPA generally form a high percentage of the brain matter itself.  
• Typically lead to improved concentration, learning ability and memory.  
• Aid in fetal and childhood brain development.  
• Help combat brain diseases, poor memory and Alzheimer’s in later life. | Salmon, mackerel, sardines, fresh tuna, flaxseed oil, hempseed oil

**Vitamin E** | • Vitamin with antioxidant properties (antioxidants help combat free radicals, which are molecular byproducts of normal living that can be harmful in excess and that can attack brain cells).  
• Antioxidants also reduce the risk of cognitive loss, including memory, judgement and reasoning. | Olive oil, avocado, nuts, seeds, plant oils

**Flavonoids** | • Group of phytonutrients (plant chemicals) that have antioxidant effects and offer benefits through cell signalling pathways.  
• Anthocyanins (a type of flavonoid) may boost memory function. | Blackberries, blueberries, cherries, grapes, olives, citrus fruits

**B-vitamins** | • Vitamins B6, B12 and folic acid help reduce levels of a compound called homocysteine in the blood. Elevated levels of homocysteine are associated with increased risk of stroke, cognitive impairment and Alzheimer’s disease. | Chicken, fish, eggs, dark leafy greens
### Nutrient Description and key functions
<table>
<thead>
<tr>
<th>Nutrient</th>
<th>Description and key functions</th>
<th>Food sources</th>
</tr>
</thead>
</table>
| **Vitamin C** | • Vitamin with antioxidant properties that also increases blood flow to the brain.  
• Helps increase mental agility and protect against age-related brain degeneration including dementia and Alzheimer’s. | Blackcurrants, red peppers, citrus fruits, broccoli |
| **Choline** | • Vitamin-like component of the fatty acid, lecithin, used to maintain cell membranes and transmit nerve impulses.  
• Essential for brain development in young individuals; may help prevent memory loss in older adults. | Eggs, soybeans, beef, chicken livers, spinach |
| **L-tyrosine** | • An amino acid (building block of protein) used to make neurotransmitters that enable brain cells to communicate.  
• Especially important for increasing alertness. | Lean meat, eggs, fish, cheese, poultry |

*Note: As each individual differs, it is crucial to discuss your personal health needs and situation with a qualified healthcare practitioner.*

Sources: *Brain Food: The essential guide to Omega-3 and the other nutrients that can improve brain power.* Gemma Reece. Paragon Inc.  
https://www.bbcgoodfood.com/howto/guide/10-foods-boost-your-brainpower  
http://www.alzheimer.ca/en/About-dementia/Brain-health/Make-healthy-food-choices
Menopause and memory

Recent research has confirmed the memory problems and brain fog many women experience during and after menopause may be a result of the drop in estrogen levels. In a study conducted by Brigham and Women’s Hospital and Harvard Medical School, it was found that there is a decline in two key areas of memory among post-menopausal women: the ability to learn new information (specifically relationships between unrelated items, like a face and a name) and retrieving new memories.11 Two other key studies that focused on groups of women before, during and after menopause also found that memory declines (specifically memory for words) and that hot flashes cause small white matter changes in the brain that negatively impact memory.12 These findings reinforce the heightened importance for women to make positive lifestyle changes as early as possible to help protect brain health long-term.

Note: As each individual differs, it is crucial to discuss your personal health needs and situation with a qualified healthcare practitioner.

References:
https://bebrainfit.com/human-brain-facts/
11. https://www.bostonglobe.com/lifestyle/health-wellness/2016/11/20/menopause-really-does-affect-memory-researchers-find/n2O0YcEMWy3g1xHlNa0L/story.html
http://journals.lww.com/menopausejournal/Citation/2017/04000/Sex_differences_in_episodic_memory_in_early.7.aspx
Key areas of focus in your...

20s and 30s: This is generally the most ideal time to lower risk factors, so it's very beneficial to establish positive habits when it comes to physical activity, nutrition, sleep and stress management. Taking steps to protect brain health now also paves the way for these habits to become long-term.

40s and 50s: This is often a time when many individuals are facing a number of overlapping obligations — professionally, personally, family-related or otherwise — so stress reduction should be a high priority. Research indicates that untreated depression in midlife increases risk of dementia in later life. Consider exploring meditation, yoga, journaling, music or tai chi as possible methods to reduce stress.

60s and above: As individuals shift closer to and into retirement, it becomes increasingly important to maintain social connections with family and friends, and to promote mental stimulation through a variety of activities. Consider volunteering or pursuing programs at your local community or active living centre for face-to-face interactions. The Alzheimer Society of Canada also offers Brain Booster activities at www.alzheimer.ca/en/Living-with-dementia/BrainBooster.

Source: http://womensbrainhealth.org/think-twice/do-you-know-how-to-keep-your-brain-healthy
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