

Business Outlook

Average household has \$80,500 of life insurance

(NC)—For many Canadians, life insurance is an important ingredient in planning their financial security. In fact, the most recent figures, which only go to the end of 1985, show that Canadians own some \$740 billion in life insurance. That represents an average of approximately \$80,500 per Canadian household, nearly four times the amount in 1970. From these

figures, it's clear that purchasing life insurance is becoming an increasingly important decision for many people like yourself.

When you're buying life insurance, you should choose the kind of protection best suited to your needs. The two main types of insurance protection are term and whole life insurance. Various combinations are also available.

If Only Everyone Would Learn These Financial Facts

(NC)—We've said it before, and we will continue to repeat some of the basic financial "facts" of life.

The basic formula for financial success is: "Time" plus "Money" plus "Rate of Return". We find this formula written in the book "The Working Life of a Dollar" by Sam Shannahan Jr.

What most people don't realize is one of those three elements is far, far more important than the other two. All of them are very important, and in relation to one another, help build a sound financial future.

But... by far the most important element is *Time*.

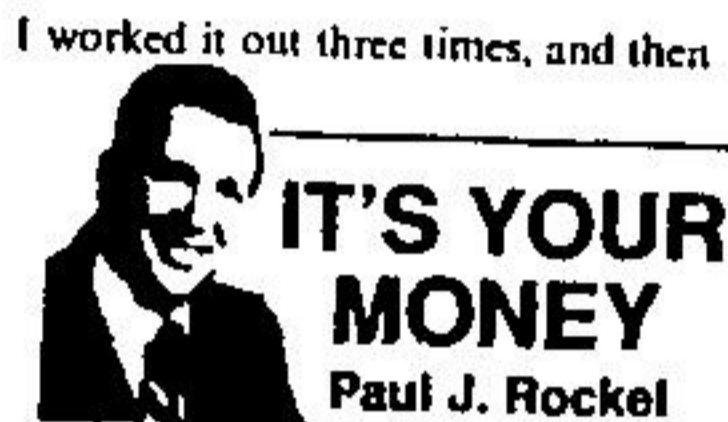
A friend of mine illustrated this to me the other day, with a question. He asked: "Supposing there were two twins, each 18 years old, working, and one decided to save \$2,000 per year (at 15%, which has proven to be available through mutual funds), for eight years, and then quit saving, but left the dollars until age 65. The other twin only started saving at age 26, and saved \$2,000 per year, right through to age 65.

"Who would have the most value at age 65?" was the question.

Would you know?
My guess (because I know the formula T+M + R with "T"... being the most important) was "the fellow who started saving early but for only eight years."

"You're right", he said. "Why don't you go home and work out the figures!"

I did.
I was absolutely amazed. The young twin, who started saving at age 18, saved a total of \$16,000 over the next 8 years. My calculator tells me that \$2,000 per year x 15% x 8 years gives me a value of \$31,571.68. (Work it out on your calculator, and see if you get the same.) By this time the young twin would be 26 years old. If he left that \$31,571.68 to work at 15% through to age 65 (without adding another penny), he'd end up being worth \$7,353,828. I couldn't believe it.



IT'S YOUR MONEY
Paul J. Rocket

I worked it out three times, and then took another calculator and re-worked it. The answers were all the same. He'd saved \$16,000, but now it was worth over \$7 million, at age 65.

What about the other twin? He started saving \$2,000 per year at age 26, and did so for 39 years (at 15%). He saved a total of \$78,000, but his value was \$3,556,180. His value was \$3.5 million *less* despite the fact he had saved \$62,000 more.

What is the "secret" that created over double the value, despite the fact that \$62,000 less was invested? It's time. For Twin No. 1, the first \$2,000 (at age 18) worked 47 years, the second \$2,000 worked for 46 years, etc. and when he stopped saving at age 26, the total value (\$31,571) worked another 39 years. Twin No. 2, on the other hand, had his first \$2,000 working only 39 years, etc.

What if the twins had both just used a savings account at 10% for their savings. No. 1 would have had a value of \$1,035,159 (vs. \$7,353,828 at 15%), and twin No. 2 who saved for 39 years, would be worth \$883,185 (vs. \$3,556,180 at 15%).

Time... plus... Money... plus... Rate of Return. The magic formula for financial success. All three ingredients are important, but TIME is by far the most important.

Whether you are 17 or 70, start saving (and investing) today. You cannot buy yesterday back.

Paul J. Rocket is author of the book "Why I Invest in Mutual Funds" and President of Regal Capital Planners Ltd. For an example of saving \$2,000 yearly over the past 30 years, ask for "Templeton \$2,000 per year" and write: Paul J. Rocket, Regal Financial Centre, 153 Union St. E., Waterloo, Ontario, N2J 1C4.

Getting the most from your accountant

(NC)—Finding the right accountant is an important part of ensuring that your business gets off the ground smoothly.

Since you may spend more time during the start-up phase with your professional advisors than you do with your spouse, it's vital to choose any new member of your business "family" with care.

Get recommendations

How do you go about finding the right accountant? Ask your business associates and other professional advisors, such as your lawyer or banker, for recommendations. Talk briefly to each candidate to determine the firm's experience in dealing with your type of business. Find out what type of assistance they are willing to provide — and at what cost.

There's no rule of thumb about whether a large or small accounting firm is best for you. Every firm has its strengths and weaknesses, and it's important for you to select the best match between your needs and the firm's abilities.

Look for rapport

One key factor that must not be overlooked in your selection of an accounting firm, is compatibility. Since it is your business that is at risk, you should choose an accountant who understands and respects your perspective. At the same time, it's important that you be willing to trust your accountant's advice, especially on those occasions when they are the bearer of bad news.

During the past few years, many accounting firms have taken steps to become more sensitive to the special needs of business clients. As a result, many firms have set up small-business specialists or divisions. Look for an accountant who is prepared to offer timely, effective business advice to suit your schedule.

Use your accountant wisely
Accountants are trained to advise you on matters such as financial record-keeping, taxation, and financial planning. They can help prepare financial forecasts and cash-flow projections to support



DOING BUSINESS
R.M. WILLIAMS

loan applications. And for the start-up situation, they can make important recommendations pertaining to legal structure, partnership agreements, and share issues.

Although the owner-managers of small businesses often criticize the accounting profession for high bills and poor service, there are a number of steps you can take to ensure that you get the most for your accounting fees. Here are some tips to follow:

- Request a service quote of your accountant's estimated hours and rates before work on a special project begins. Make sure you understand what you are going to get, and what assistance or information you will need to provide.

- Be sure to ask questions whenever you don't understand your accountant's terminology or advice. Ask your accountant to explain the indicators which lead to their particular viewpoint.

- Work with your accountant to select a company year-end that is most appropriate for your business. Be prepared for an accurate inventory count, and balance your year-end books in a timely manner.

- Ensure that your record-keeping system is accurately maintained throughout the year, and quickly provide your accountant with any required information. If you miss meeting your deadlines, your project may have to wait while your accountant fulfills an obligation to another client.

- Pay your accountant according to the terms of your agreement. Remember that they also have bills to pay and mouths to feed.

Your accountant is a key member of your business "family." Choosing the right person for the job takes time and effort, but it's one of the most important decisions you'll make. And a little attention to your relationship with this professional advisor can help your business run a lot easier.

Mr. Williams is Senior Vice-President, Management Services, of the Federal Business Development Bank.

SPECIAL PRICE

Sooter's

<p>Single Prints 3 1/2 x 5</p> <p>12 exp. ... 398</p> <p>15 exp. ... 498</p> <p>24 exp. ... 898</p> <p>36 exp. ... 1198</p>	<p>FREE Double Prints (2-3 1/2 x 5) or Double Size (5x7) with this coupon</p> <p><small>If you prefer, double prints 5x7 cost you only \$3.99 more.</small></p> <p style="text-align: center; font-weight: bold; font-size: 1.1em;">CAN YOU BELIEVE THIS?</p> <p><small>5x7 color enlargements for as low as 21¢ per picture including film developing. Only at Sooter's</small></p>
---	---

Sooter's

NORTHVIEW CENTRE
211 Guelph St. (at Dundas St. E.)
Georgetown, Ont. N7C 2B1

TEMPLETON INTERNATIONAL

Is Templeton Canadian Fund Right For Your RRSP?

If you're looking for short term gains, perhaps not. But if you want your retirement funds managed for secure, long-term growth you should consider it.

The Templeton approach to investment is clear. They buy securities that are not popular with other investors. They hold them for an average of over five years and sell when others come to recognize their true value. So it's a long-term approach — one which is not concerned with the short-term ups and downs of the stock market.

And it works!

If you had invested \$10,000 in Templeton Growth Fund* at its inception in November, 1954, it would have grown, despite all the market fluctuations, to \$1,289,603 by April 30, 1987.

Templeton Canadian Fund, introduced in 1983, is eligible for your RRSP and follows the same Templeton philosophy. Its performance has been comparable to that of Templeton Growth Fund in its early years.

For more information contact:

PETER C. MASSON, M.B.A.
REGAL CAPITAL PLANNERS LTD.
10 Fagan Drive
Georgetown L7G 4P3
Phone 877-7216

*Templeton Growth Fund is eligible for the 10% non-Canadian portion of your self-directed RRSP
Templeton Funds are sold by prospectus only

ANNUAL

Clearance Sale

25
TO
50%
OFF
Selected Items!

★ Excluding Custom Framing

We Carry Such Limited Edition Prints As:

- Seerey-Lester
- John Newby
- Helen Downing Hunter
- Jack Reid
- Carole Black

Sale Ends Feb. 29/88

The FrameMaker

232 Guelph St.
Georgetown

877-6332