

# ARE YOU MAKING AN RRSP MISTAKE?

MANY CANADIANS SQUANDER SOME OF THE BENEFITS OF MAKING AN RRSP CONTRIBUTION, WRITES PETER WATSON



**PETER WATSON**  
Column

Many Canadians fail to take advantage of income tax rebates resulting from registered retirement savings plan (RRSP) contributions. That rebate could be included in your long-term financial plan and used to finance other investments as opposed to treating it like "free money" and spent on impulse items.

It can be a simple mistake. A mistake that most will not be aware of. To illustrate this, we will follow the pattern of a typical investor.

An investor contributes to their RRSP with two financial advantages. Money is put aside during the working years that will hopefully grow and contribute to their retirement's financial security.

The amount of the contribution can be used to reduce taxes payable.

Some will consider the rebate as new-found money. Perhaps this is a good time to upgrade household electronics or take a trip.

An alternative is to reframe how you react to this "free money." Consider it as money that could be used to enhance your long-term financial security.

The income tax rebate can be used to reduce household debt (including a mortgage), contribute to a Tax-Free Savings Account, or make another RRSP contribution.

If you are saving to assist with the cost of a post-secondary education, a Registered Educational

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Savings Plan contribution is an option. RESP contributions can result in you getting a government grant.

Our recommendation is to create a two-step RRSP strategy. First, make an RRSP contribution. Second, use the RRSP tax rebate for other long-term financial purposes.

Everyone has unique personal circumstances, so how you develop and implement your two-step RRSP strategy will differ.

Some might have extended themselves financially to contribute, with the anticipated income tax rebate already built into the household's budget.

If you have the financial ability that does not require you to rely on the tax rebate, consider how to best use the RRSP tax rebate.

*Peter Watson, of Watson Investments MBA, CFP®, R.F.P., CIM®, FCSI offers a weekly financial planning column, Dollars and Sense. He can be contacted through [www.watsoninvestments.com](http://www.watsoninvestments.com).*

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Judy Adam photo

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# WOMEN'S WORRY WORK IN THE COVID-19 PANDEMIC ERA

STUDIES SHOW CANADIAN WOMEN MORE WORRIED ABOUT PANDEMIC THAN MEN, WRITES EMMA PARTRIDGE



**EMMA PARTRIDGE**  
Column

take on this role more often than men.

The dynamic is often played up as a sexist media trope: the calm husband and frazzled wife.

But why do women worry more than men? Some argue that women are biologically programmed to be more risk averse, but there are sociological and societal issues to consider.

One issue is that women do have a lot to worry about. An Australian study found that women are more likely to worry about social issues like poverty, unemployment, racism, economic downturns and environmental crises, many of which disproportionately affect them depending on their unique identity factors.

Women are also more

likely to face abuse, which is linked to anxiety disorders.

During a pandemic, women's very valid worries are only magnified. They undoubtedly feel the crunch of being the "designated worrier" while juggling work, child care and eldercare.

If you're one of the many worried women right now, consider trying to take a step back, logging off the internet every so often, and finding small moments for yourself.

And if you want to support emergency efforts to address the unique impact of COVID-19 on women and girls, contribute to the Canadian Women's Foundation's Tireless Together Fund to help critical programs reach women and girls now and respond in the aftermath.

*Emma Partridge is the marketing co-ordinator of the Canadian Women's Foundation.*

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