ECONOMIC NEWSLETTER
Spring 2018

The mission of the Aga Khan Economic Planning Board for Canada (AKEPB) is to improve the economic well-being of our Jamat by providing guidance and assistance towards a sound financial base. The Board's mandate includes monitoring current and anticipated future economic conditions and providing the Jamat with relevant and timely programmatic support in the areas of employment, entrepreneurship, housing, financial literacy, business and professionals.

IN THIS ISSUE

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MESSAGE FROM THE LEADERSHIP

We are pleased to share with our readers and members of the Jamat, the Aga Khan Economic Planning Board for Canada's (AKEPB Canada) newsletter for Spring 2018. We will comment on the current Canadian economic situation and highlight industry, technology and business changes occurring.

The Canadian economy continues to strengthen. We have had several quarters of growth, and unemployment has dropped to pre-recession levels. To manage the economic momentum, the Bank of Canada responded with three interest rate increases. This resulted in increases to the prime lending rate and short-term interest rates. This means the cost of borrowing through lines of credit, home equity loans (HELOC) and most credit cards will increase. Mortgage rates have also increased adding pressure to housing affordability, and Jamati members should anticipate higher mortgage costs in the future.

Economic forecasters expect growth to continue. The US tax cut has already resulted in capital flowing back into the United States. For Canada the strengthening US economy could further boost our economy. However, uncertainties with trade negotiations, commodity prices and new labour and minimum wage regulations, may cause disruptions to some areas of the Canadian economy, and to the value of the Canadian dollar.

Canada is actively pursuing international trade agreements. The North American Free Trade Agreement (NAFTA) between Canada, the United States and Mexico is being renegotiated. In addition, Canada has recently signed the revised Comprehensive and Progressive Agreement for Trans Pacific Partnership (TPP). The outcome of the NAFTA negotiations and the new TPP agreement will impact different regions and economic sectors of Canada. The next phases of the NAFTA negotiations will center on automotive, agriculture and country of origin rules. Jamati members who are involved in or related to the agriculture and the auto manufacturing and auto parts sectors could be affected by this outcome. To broaden options with trading partners, Canada continues to pursue other trading relationships and has recently held preliminary trade discussions with other countries, including India.

The recent increase in world oil prices has lifted the economy of oil producing regions. However, the surplus of underutilized assets and the ability of shale oil producers to rapidly increase oil production could continue to limit investment in the Alberta oil and gas sector. Potential delays of Kinder Morgan's Trans Mountain pipeline and delays in development of the Keystone pipeline will slow oil exports and continue to suppress prices of oil and bitumen affecting oil producers in Alberta and Saskatchewan. Jamati members in the oil producing regions of Canada are encouraged to be aware of developments so they can manage risk and be ready to take advantage of opportunities that could arise.

The public securities markets have recently experienced corrections after a lengthy period of growth. Trading of crypto currencies such as Bitcoin, has added to the volatility of the public markets. The Jamat is encouraged to study the markets carefully, understand the nature of securities they are purchasing, and to exercise caution before making investments.

Overlaying the international trade arrangements and commodity cycles, the roll out of new technologies, such as artificial intelligence (AI), automation, and innovative business platforms (like Amazon, Airbnb, etc) will continue to disrupt and change the way business is done. Ageing demographics and the changing nature of work may cause governments to adjust income tax rules and rates to fund additional social services and health care costs. These technology and demographic changes will present exciting business opportunities and employment options to those who are well informed and well positioned.

These changes will have great impact on society and will compel the Jamat to adapt. This rapid pace of change requires information, energy and new skills. Life-long learning and the development of business and professional alliances is essential to remain relevant in this age of constant innovation and evolution. As these changes roll out, some careers and businesses will be impacted. AKEPB Canada is responding by providing seminars, conferences and fireside chats to inform and educate the Jamat. It is expanding its vocational training, internship, skills development and financial literacy programs. In October 2017, AKEPB in partnership with Alliances Canada hosted the Ignite Growth Summit in Vancouver BC. The conference which featured conversations with internationally recognized business persons and professionals from around the world, encouraged networking and the development of partnerships and alliances. To continue to inform, educate and inspire business persons and professionals, AKEPB Canada will host further seminars and conferences with a focus on disruption and technology, and will provide information resources to the Jamat about emerging professional and vocational trends.

AKEPB's partner, Alliances Canada, provides support for Ismaili businesses and professionals to work together, improve business efficiency, develop best practices and catalyze networks. AKEPB Canada supports the Quality of Life initiatives such as crises and transitional housing; income supplements for members of the Jamat who wish to undertake vocational training programs; providing skills and employment services; and debt counselling and financial literacy training. We encourage the Jamat to join us and get involved. Readers are encouraged to visit www.iicanada.org for more details on the AKEPB Canada's programs and services.

We look forward to the Jamat's feedback and hope this information is useful.

With warm wishes,

Zahir Kassam
Chairman

Feisal Dedhar
Honorary Secretary

ECONOMIST OVERVIEW

Q & A with NATHAN JANZEN

Senior Economist, RBC Economics Research
Royal Bank of Canada

What are the implications of renegotiating NAFTA to Canada.Which industries will be materially impacted and how?

Canada exports about a third of total annual economy-wide production, about three-quarters of which goes to the United States. Canada's position has been that NAFTA is indeed dated and there is room for improvement. With that said, although a favorable outcome is possible, the rhetoric from the Trump administration continues to suggest a negative outcome, resulting in more U.S. trade protectionism is still a real possibility. Of course, the world has also changed since NAFTA. The original Canada/U.S. Free Trade Agreement came into effect in 1989 – with Mexico added to make NAFTA in 1994. Those agreements were really just a part of a broader trend towards greater trade liberalization globally, though. The WTO – of which all three NAFTA partners are members – came into effect in 1995, for example. Indeed, U.S. and Canadian tariffs are not actually very high for non-NAFTA countries. The average U.S. import tariff rate under the WTO was just 3.5% in 2016. Canada's was 4.1%, and just 2.2% excluding agricultural products. A hike in tariffs from 'free-trade' to those rates would, perhaps, not have as dire near-term impacts as is commonly associated with the fears surrounding a NAFTA 'tear-up.' They could, nonetheless, still have significant implications for some industries and – most economists agree – would have a more significant long-term negative impact on the economy.

The manufacturing sector is particularly vulnerable to trade disruptions. Decades of free trade between Canada and the U.S. have contributed to significant integration of production chains across the border. The result is that intermediate production goods can cross the border multiple times before a final product is produced. That means that even small tariff hikes could have a significant impact on near-term costs. This is particularly true in the motor vehicle sector, where free trade dates back longer, to the 1960s signing of the Canada and U.S. Auto Pact. Of course, although these industries are highly vulnerable to a trade disruption, the trading relationships run both ways. Higher tariffs would also hurt U.S. producers in those production chains. In other words, although these industries are the most 'vulnerable' to a trade disruption, they are also the least likely to face tariff hikes because of the potential political blow-back in the U.S. from U.S. producers. Canadian natural resources are also heavily exported to the United States, often in 'raw' form. There has already been some targeting of natural resource exports in the form of new softwood lumber tariffs. It's also true, though, that many Canadian raw material exports are not really 'competing' with U.S. producers. Canada continues to run a very large net trade surplus in oil with the U.S., but that's because the U.S. still is only able to produce about half of the oil used in domestic U.S. refineries. It makes little sense to impose protectionist tariffs on a product for which there is no domestic substitute. Although an admittedly dated example, when President Nixon briefly ordered broadly-based 10% tariff hike on U.S. imports in 1971, raw material imports were generally excepted along with the Auto Pact.

What are the key implications of the recent and anticipated interest rate rise to the Canadian economy and business? Are rate increases expected in the coming years to continue?

Interest rate hikes are ultimately meant to make the economy grow more slowly. Borrowing – both by households and businesses – gets more expensive and payments on existing debt rise leaving less income for new expenditures and slowing down aggregate economy-wide demand growth. There is particular concern over Canadian households' ability to absorb higher interest rates given very high levels of household debt. Of course, interest rate hikes typically also do not occur in isolation. The latest increases in rates – the Bank of Canada hiked their key overnight interest rate by 25 basis points in each of July, September and January, 2018 – was prompted by extremely strong economic G7 countries in GDP growth in each of the last four quarters through Q2. Indeed, there is room for economic growth to slow significantly from the recent pace and yet still have a very solid economic backdrop.

Significant consumer price inflation pressures have failed to materialize, giving the inflation-targeting Bank of Canada room to maneuver. At the same time, it is generally acknowledged that interest rates will eventually need to move higher. There are clearly advantages from a financial system stability perspective to engineer an earlier but more gradual rate hiking path so that highly indebted households have more time to adjust to a higher-rate environment. In that context, rates are expected to continue to move higher.

How critical is it to the Canadian economy that the pipelines get built either to the west or to the east and that we have a strong natural gas export market?

In the near-term probably less-critical than in the past but still important in the longer-run. Lower oil prices, and a resulting sharp drop-off in investment in the sector, mean that oil production will increase less quickly than would have been the case when prices were higher. That means less near-term pressure on existing infrastructure and support from the Trump Administration in the U.S. means that the Keystone XL pipeline is more likely to be completed than seemed likely a couple of years ago. With that said, the fact remains that most Canadian oil reserves are land-locked and export dependent. More transportation infrastructure will eventually be needed if production in the sector is going to continue to grow.

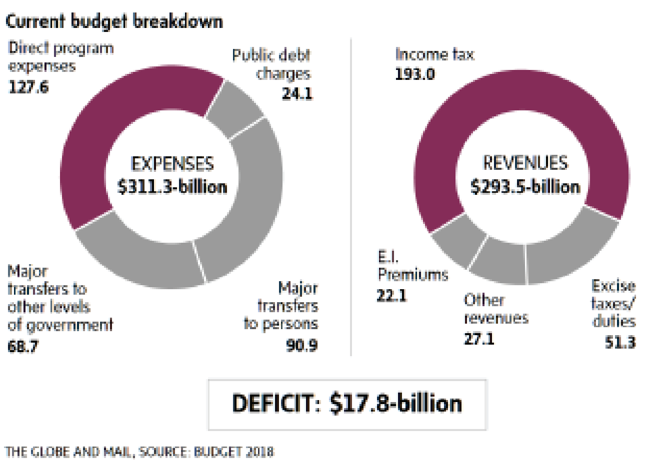
2018 BUDGET HIGHLIGHTS

FEDERAL BUDGET HIGHLIGHTS: NINE THINGS YOU NEED TO KNOW

The Minister of Finance, the Honourable Bill Morneau released the 2018 Canadian Federal Budget on February 27th. The Jamat is encouraged to review the Budget summary below and visit iiCanada Financial Literacy resources page for further information.

MICHELLE ZILIO, TOM CARDOSO AND MATT LUNDY
THE GLOBE AND MAIL,
PUBLISHED FEBRUARY 27, 2018
UPDATED MARCH 1, 2018

From gender equality and parental leave, to research funding and small business tax reform, here are the key items in the federal budget.



In the federal Liberals' first budget, in 2016, the word "gender" appeared twice. This time around, "gender" was used 358 times.

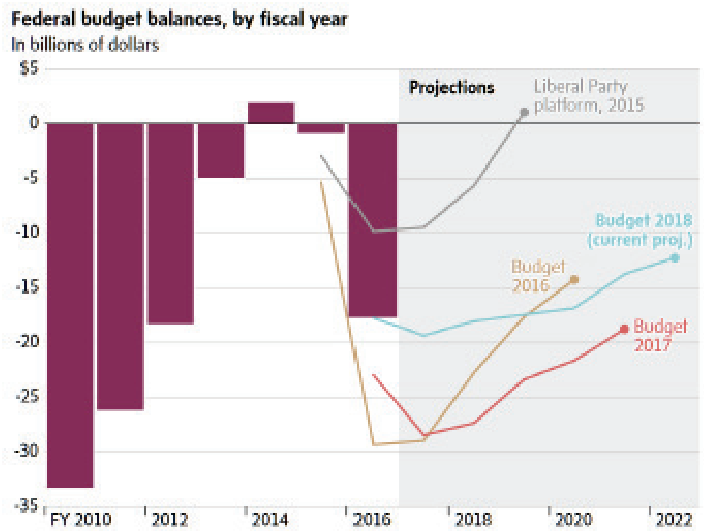
As expected, gender equality was a major theme of the 2018 federal budget, such that "every single decision on expenditure and tax measures was informed" by a gender-based analysis, according to the government.

To that end, the budget included new measures aimed at encouraging greater participation of women in the work force, along with a "use-it-or-lose-it" program to encourage more men to take paid parental leave.

The budget included a host of other proposals, including final details on taxing passive investment income, a pharmacare advisory council and bulked-up funding for research.

Here are 9 things you need to know about the budget.

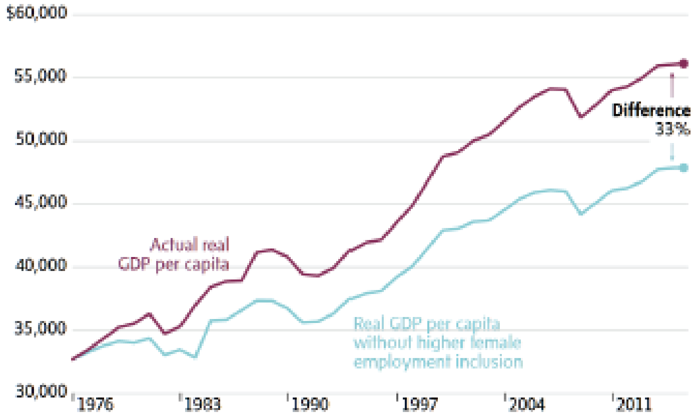
1. BUDGET BALANCE



This year's budget is mostly in line with previous estimates from Finance Canada that, for the foreseeable future, the federal government will be running a deficit. Budget 2018 revises the government's deficit projections downward by an average of $167-million each year compared with the fall update. At this point, the closest Ottawa will come to a balanced budget will be in fiscal year 2022, with a $12.3-billion deficit. Finance Minister Bill Morneau has repeatedly emphasized in past budgets that the government considers the federal debt-to-GDP ratio just as important as the overall balance. That measure is projected to continue to decrease, from 30.4 per cent in 2017-18 to 28.4 per cent by 2022-23.

2. GENDER EQUALITY

Impact of women's participation in the work force on real GDP per capita



THE GLOBE AND MAIL, SOURCE: BUDGET 2018

The budget proposes pay-equity legislation for employees in the federal government and federal-regulated sectors but fails to put a dollar amount on that plan. The legislation, which will draw on models from Ontario and Quebec, will ensure that men and women receive the same pay for equal work. The government says it will continue to consult with employers, unions and other stakeholders over the coming months as it works to develop the pay-equity legislation, which will be included in the budget bill. Preliminary estimates suggest the legislation could reduce the gender-wage gap by about 2.7 cents on the dollar for the federal government and 2.6 cents for the federal private sector, according to the budget.

3. PARENTAL LEAVE

The government is proposing $1.2-billion over five years to create a new five-week "use-it-or-lose-it" incentive for new fathers to take parental leave. The Employment Insurance Parental Sharing Benefit would increase EI parental leave to a maximum of 40 weeks in cases where the second parent agrees to take at least five weeks off. The benefit covers 55 per cent of the second parent's income for as much as 12 months.

In cases where families have opted for the extended parental leave of 18 months, the second parent would be able to take as much as eight weeks of additional parental leave, paid out at 33 per cent of their income.

The benefit would also be offered to adoptive and same-sex couples and will be made available starting in June, 2019.

It is meant to encourage parents to share the responsibilities of raising a child and to provide greater flexibility for mothers so they can return to the work force sooner.

The budget also proposes $90-million over three years to ensure that claimants continue to receive timely and accurate benefit payments, plus another $127.7-million over the same period to improve EI call-centre accessibility.

4. INDIGENOUS ISSUES

The government is proposing to invest $447-million over five years to create a new Indigenous Skills and Employment Training Program. The program, which will replace the Aboriginal Skills and Employment Training Strategy, will help close the employment and pay gap between Indigenous and non-Indigenous people by focusing on training for higher-quality, better-paying jobs.

The budget also proposes more than $1.4-billion over six years for First Nations child and family services. Indigenous children under the age of 14 comprise 7.7 per cent of all children in Canada but represent more than half of all children in foster care. The money will help alleviate pressures on child and family services agencies and increase prevention resources in First Nations communities so families can stay together.

5. CANADA WORKERS BENEFIT

Ottawa wants to increase the take-home pay of low-income workers through a revamped tax credit. The budget unveiled the Canada Workers Benefit, which takes effect in 2019 and it is essentially a "more generous" and "more accessible" version of the Working Income Tax Benefit, according to the government. The proposal calls for maximum benefits to increase, as well as raising the income level at which the benefit is phased out. A single parent or couple earning $25,000 a year could receive as much as $717 more from the program in 2019 than in 2018.

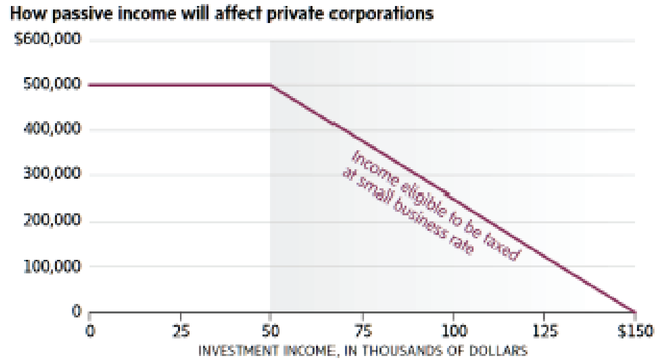
6. PHARMACARE

Eric Hoskins, who resigned his position as Ontario's health minister Monday, will chair an advisory council tasked with performing an economic assessment and running consultations on the feasibility of a national pharmacare program.

National pharmacare could represent significant savings for both patients and the government. A 2016 Parliamentary Budget Office analysis estimated that of the $28.5-billion spent on prescription drugs in 2015, $24.6-billion would be eligible for coverage under a national pharmacare program and that a true national prescription drug program would cost $20.2-billion. In other words, national pharmacare could represent a savings of roughly $4.2-billion annually, in large part because governments would have a stronger position in price negotiations.

7. SMALL BUSINESS TAX REFORM

How passive income will affect private corporations



THE GLOBE AND MAIL, SOURCE: BUDGET 2018

The budget unveiled new details on the taxation of passive investment income inside private corporations.
When companies earn between $50,000 and $150,00 in a given year from passive investments, a reduced amount of their active business income will be eligible for the small business tax rate, which will be 9 per cent in 2019. (The upper limit for business

income that can be taxed at the small business rate is $500,000.) The reduction will occur on a straight-line basis, with eligible income decreasing by $5 for every $1 of passive income above the $50,000 threshold.

Companies exceeding $150,000 in passive income will no longer be eligible for the small business tax rate.Those with passive income under $50,000 will not be affected, as was mentioned in a revised proposal.

8. RESEARCH AND INNOVATION

In total, the budget commits $3.8-billion more over the next five years to support science. A large share of this will be aimed at stepping up funding in physical and life sciences, social sciences and health for fundamental research at universities and other institutions. By 2023, scientists will have roughly half a billion more for fundamental research than they do today. That's a far cry from the $1.3-billion increase that an independent review of Canada's fundamental science ecosystem recommended last year, but it's enough for the government to claim that it has just made its largest increase to fundamental science ever – about 25 per cent.

More than $600-million of the new science funding will be directed toward beefing up the government's own laboratories and bringing together federal scientific activities across departments. Significantly, it includes a reimagined role and partial return to high-risk, far-reaching research bets for the National Research Council, an agency previously seen as needing a new direction.

As for innovation, the Liberals have slashed the number of business innovation funding programs but increased overall funding, including $700-million in new funding for the Industrial Research Assistance Program over the next five years. They've also increased funding for female entrepreneurs, committed $85.3-million to the intellectual property strategy laid out in last year's budget and set aside $572.5-million to give researchers "open and equitable access" to advanced computing and big data resources, a field in which Canada is a world leader.

9. CYBERSECURITY

The 2018 budget has allocated $508-million, spread out until 2022-23. The funds will be used primarily by the Communications Security Establishment to create a new Canadian Centre for Cyber Security, as well as a National Cybercrime Coordination Unit for the RCMP. In the weeks leading up to the budget, news reports suggested the government could invest as much as $1-billion in cybersecurity resources and infrastructure. Wesley Wark, a professor at the University of Ottawa and an expert in cybersecurity, said he expects "they'll spend a lot more than they're suggesting" in the budget. "It's just a first shot in what will have to be a longer term and more expensive effort" as Canada shifts its national security priorities from terrorism to cyber aggression. Cyberattacks have become increasingly common as state espionage and warfare moves online, and the Canadian government has been targeted for cyberattacks several times. Since 2011, the Treasury Board, the Department of Finance and Defence Research and Development Canada have all been hit by attacks originating from Chinese internet addresses. Observers say Canada's cybersecurity strategy was due for a refresh after having last been updated in 2010.

MISCELLANEOUS ITEMS

- The budget proposes $81.4-million over five years to create a redress system for Canadians whose names falsely match those on the no-fly list. Parents of children unfairly targeted by the no-fly list have been advocating for a redress system for more than two years. They are hoping the system will give wrongly flagged Canadians a redress number so they no longer face delays and discrimination at airports.
- The budget proposed funding to replace VIA Rail's cars and locomotives for use in the Windsor-Quebec City corridor, though amounts were not released due to "an upcoming procurement."
- The budget included vague details on improving federal election leaders' debates. The government claims "the way leaders' debates have been negotiated have put at risk the structure and potential usefulness of leaders' debates." As such, it proposed providing $6-million over two years, repeated every election cycle, to "support a new process that would ensure that federal leaders' debates are organized in the public interest." The budget also floated the possibility of legislation on this matter.
- The government is spending $191-million over five years to help to defray the cost of NAFTA and WTO legal challenges related to the ongoing softwood lumber dispute.

HOME EQUITY LINE OF CREDIT (HELOC)

A home equity line of credit (HELOC) is a revolving line of credit that allows you to borrow the equity in your home sometimes at a lower interest rate than a traditional line of credit. Home equity is the current market value of your home minus the remaining balance of your mortgage. Essentially, it's the amount of ownership of a property you have built up through both appreciation as well as reductions in the mortgage principle made through your mortgage payments. So, as you pay off your mortgage and build equity in your home, a HELOC gives you the ability to reborrow a portion of these funds. HELOC is secured by your home and cannot exceed 65% of your home's value.

Consumers borrowed against their home equity to consolidate debt, finance home renovations, fund vacations and purchase big-ticket items such as cars, rental properties, cottages and financial assets (e.g., securities), using leveraged investment strategies. Funds can be drawn at a much lower interest rate than credit cards or unsecured loans because their home is used as collateral. When used responsibly, HELOCs increase consumers' access to relatively low-cost credit, which can assist them in achieving their short- and long-term financial goals. However, the product's characteristics may increase consumers' vulnerability to over-borrowing, debt persistence and wealth erosion using the HELOC loan facility as an immediate and easily accessed source of funds.

BENEFITS

From a consumer's perspective, HELOCs have four defining characteristics: flexibility, open terms, affordability and simplicity.

FLEXIBILITY

The draw features of HELOCs are similar to those for credit cards and unsecured lines of credit. Consumers can use as much or as little as they need, as long as they stay within their credit limit and keep their account in good standing. Repayment terms are flexible. Most borrowers are permitted to make interest-only payments on their outstanding balance. They may also reduce their principal with lump-sum payments made at their discretion, without incurring pre-payment penalties. For these reasons, HELOCs are defined as a form of non-mortgage consumer debt.

The flexible draw and repayment features of HELOCs lead many consumers to see these products as a convenient way to finance large projects that may involve delays or unanticipated cost overruns, such as rental properties, vacation homes or home renovations. Once the HELOC is in place, consumers can draw on their HELOC as needed, without having to reapply for additional credit and repay as much or as little as they can afford, as long as the accrued interest is covered.

OPEN TERMS

The large majority of HELOCs are non-amortized and fully open credit products. They are "demand loans" that can be recalled by lenders at any time, but they do not have a maturity date. Provided they keep the account in good standing and stay within their credit limit, consumers can draw on and repay their HELOC over an indefinite period. The open structure of HELOC products makes them attractive substitutes for emergency funds. For that reason, some lenders market HELOCs as a way to manage temporary income shortfalls or unanticipated expenses. Some consumers may be drawn to HELOCs if their salary is commission based or they are paid at irregular intervals. Others may see HELOCs as suitable for managing financial risks.

AFFORDABILITY

Since they are secured by a borrower's residential property lenders often, if not always, offer them at attractive interest rates. Consumers can generally acquire a HELOC for the lender's prime rate plus a premium of between 0.5 and 2 percent. Because of the relatively low interest rate, lenders promote HELOCs as a way for consumers to increase their monthly cash flow by consolidating high-interest debt, such as credit cards.

SIMPLICITY

Most HELOCs are sold as part of a re-advanceable mortgage, which can be customized to suit the needs of individual consumers. This allows for the credit line to automatically increase as the principal on the amortized mortgage is paid down.

KEY RISKS

While there are benefits to HELOC facilities when used responsibly, it is critical for the Jamat to understand the significant risks involved

OVER-BORROWING

HELOCs offer relatively low interest rates and convenient access to large amounts of revolving credit, which may encourage some consumers to use their home equity to fund a lifestyle they cannot afford. The automatic increases to available credit, interest-only payments, and the non-amortized structure of HELOC products may tempt less-disciplined consumers to use their home as collateral against borrowing for everyday spending.

While the overwhelming majority of consumers keep their HELOC in good standing, many are doing so by making the minimum payment (i.e., interest-only payments) or making only occasional efforts to reduce the principal. Research indicates that roughly 4 in 10 consumers do not make a regular payment against their outstanding HELOC principal, and 1 in 4 only cover the interest or make the minimum payment.

HELOC borrowers can find themselves in a "home equity extraction debt spiral," particularly during periods of financial distress. Some lenders market HELOCs as a source of emergency funds that can be used to cover unanticipated expenses or a loss of income. When consumers borrow against their home equity to make ends meet, they run the risk of having to extract more equity down the road just to cover the minimum payments on their HELOC. This pattern of behaviour may lead consumers to add to their debt burden during periods of financial distress rather than reigning in spending.

DEBT PERSISTENCE

The "evergreen" nature of HELOCs may foster debt persistence. HELOCs are designed, and often marketed, as financial products that allow consumers to borrow large sums of money against their home equity, with little or no obligation to repay it in a timely manner. In most HELOC facilities, the amount of revolving credit available to consumers through their HELOC increases automatically as they pay down the principal of their amortized mortgage account, and this revolving credit remains available indefinitely.

Furthermore, the rapid increase in house prices in certain markets may have convinced some consumers that HELOC repayment strategies are unnecessary, since the equity growth that will result from future price increases will be available to repay the principal when they sell their home. In the face of increasing interest rates and higher threshold requirements to purchase a home, housing pricing may become depressed creating a lower HELOC facility ceiling after funds have already been used. In such situations, a work out maybe required with banking facilities or payment of mortgage and HELOC achieved by having to sell the family home.

At a time when consumers are carrying record amounts of debt, the persistence of HELOC debt may put further stress on the financial well-being of Canadian households. High levels of consumer debt can make it more difficult for families to handle unforeseen life events such as a loss of income or unanticipated expenses. The longer consumers carry debt burdens, the higher the probability that they will struggle in the event of a negative macroeconomic event (e.g., oil price shock, economic recession or interest rate hike).

WEALTH EROSION

The liquidity and easy access to home equity created by HELOCs can negatively affect the ability of some middle-class families to save money and gradually accumulate wealth. Paying down the mortgage on the family home is an important part of the average household's retirement strategy. Traditional mortgages operate as forced savingsvehicles. Making regular principal and interest payments on amortized mortgages allows families to gradually accumulate more equity in their home over the course of their working lives.

Mortgage repayment is a particularly important savings vehicle for the average middle-class family in Canada, because their wealth is concentrated in housing assets and their financial holdings at retirement tend to be limited.

Certain forms of financial innovation can harm some consumers, weakening their financial position by creating too much liquidity. HELOCs are sold as financial products that allow homeowners to "unlock equity" and "put equity to work." However, many consumers value the benefits of immediate consumption significantly more than the benefits of accruing housing wealth slowly, over a long period of time.

The benefits of accumulated housing wealth are remote and will only be realized in retirement by what behavioural economists call a "future self." HELOCs allow consumers to forgo saving in favour of extracting home equity to fund, for example, a new automobile purchase, home renovation or vacation. There is a significant risk of using HELOCs and their home equity to live beyond their means.

MINIMAL UNDERSTANDING OF COSTS AND RISKS

Based on the industry review, complaints and issues reported to FCAC, and market surveys, some consumers appear to lack the resources they need to make informed decisions about whether or not to finance their home purchases or take on HELOC facilities. Mortgages and associated HELOC facilities mortgages (e.g., legal, appraisal, title search, inactivity, prepayment and discharge). Complaints received through the FCAC Consumer Service Centre demonstrate that consumers were not aware of certain fees, could not make sense of the fees charged or believed that they had been overcharged.

Second, consumers do not always understand the implications of linking their credit products under the umbrella of a re-advanceable mortgage. Re-advanceable mortgages are almost always secured against the borrower's home by a collateral charge, which can be more expensive to discharge than a conventional charge. In addition, consumers cannot easily switch the amortized mortgage portion of a re-advanceable mortgage to another lender offering a better rate or for other reasons to take on a new lender.

There are no specific regulations stipulating how lenders must disclose the terms and conditions of HELOCs or re-advanceable mortgages.

PAYMENT SHOCK

Payment shock refers to the difficulty some consumers may experience in meeting their monthly debt obligations when interest rates rise above current historic lows. This is especially true in today's rising interest rate environment.

These consumers may be significantly more vulnerable if a large share of their disposable income is applied to servicing their debt, since they may lack adequate flexibility in their monthly budget to cope with higher borrowing costs. Consumers without adequate emergency funds are also more vulnerable to payment shock, and recent surveys have found that almost half of working Canadians are living paycheque to paycheque without enough set aside to carry them through in the event of an emergency or loss of income.

The relatively large amount of HELOC debt now held by Canadian consumers could increase the number who experience payment shock in response to rising interest rates. HELOCs make up a significant portion of non-mortgage consumer debt, and the vast majority have a floating or variable interest rate, which in today's rising interest environment, will cause greater strain on home finances.

In addition, most consumers are permitted to make interest-only payments, which could further increase sensitivity to interest rate fluctuations.

HOUSING MARKET CORRECTION

HELOC borrowers are exposed to a housing market correction to the extent that the product is a demand loan secured against residential property.In the event of a correction, HELOC borrowers could find themselves "underwater" with a house that is worth less than the loan obligations secured against it. Consumers with negative equity are at an elevated risk of default. Falling house prices may constrain HELOC borrowers' access to credit, forcing them to curtail their spending, which could in turn negatively affect the economy.

Furthermore, during a severe and prolonged market correction, lenders may revise HELOC limits downward or call in the loans.

The long period of sustained growth in the price of housing since the early 2000s may have created some overvaluation in Canadian housing markets. Rising levels of household debt have both supported and been fueled by increases in house prices. There is considerable uncertainty over the degree to which residential property could be overvalued therefore caution must be taken to look at what would be a comfortable level for a HELOC loan on a possible lower home value.

Today, the federal government has lowered the maximum loan-to-value (LTV) ratio for HELOCs offered by federally regulated lenders from 80 to 65 percent of the residential real estate used as security. This limits the amount of potentially more persistent debt that consumers can borrow against their home. Consumers can increase their leverage by another 15 percent, but they must use an amortized mortgage product to increase their LTV ratio to 80 percent.

Home equity borrowing can significantly increases the probability of mortgage holders defaulting because it increases the homeowner's leverage and loan-to-value (LTV) ratio. It also consumes equity that might otherwise be used to maintain mortgages during periods of financial distress. Finally, home equity borrowing increases consumers' sensitivity and exposure to a housing price correction. A study has found that existing homeowners who had borrowed aggressively against the rising value of their home were responsible for 40 percent of the large number of mortgage defaults between 2006 and 2008.

To Calculate your Debt Service Ratios, please click the link below:
https://www.cmhc.schl.gc.ca/en/co/buho/buho_024.cfm

CONCLUSION

The Jamat is encourage to speak to their financial advisor or the local Economic Planning Board for further information and guidance on how best to evaluate re-advanceable mortgages and HELOC facilities. There are benefits for responsible use of such credit lines, which must be equally assessed against the significant risks that are also presented by using such facilities. It is critical the Jamat live within their means and manage expenses through realistic budgeting processes, prior to taking advantage of what could appear to be beneficial financing that will carry with it long term weight on a household financial prosperity.

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Davos & International Insights

DAVOS 2018: FIXING A FRACTURED WORLD

Trying to gain traction in a disrupted world

by Dave McKay, President and CEO at RBC

Davos is normally a pristine winter wonderland, as crisp and colourful as its climate is consistent. This year, nature had different plans. Cool nights blanketed the Swiss village with six feet of snow while warm days turned its roads into waterways, creating enough ice and slush to produce the irony of Davos traffic jams. It was as if the weather gods had crafted the perfect metaphor for 2018: a planet and economy that are at once so hot and cold that its people are struggling to keep a grip.

This was my third visit to the World Economic Forum, and the most valuable yet, as it underscored the frenetic pace of change today and how challenging it is to gain traction on the most pressing issues of our time - from the income stagnation that fuelled the populist surges of 2016 to the outrages of sexual abuse that exploded in 2017 to the anxieties over technology gripping the globe in 2018. The forum's theme put it aptly: "Creating a Shared Future in a Fractured World." How do we do that? The mountaineers around Davos would tell you: have a good map, follow contours rather than straight lines, pace yourself, and move in teams. On the way up and on the way down.

Here are some of the issues I found most compelling at this year's forum.

1. A SYNCHRONIZED RECOVERY OR IRRATIONAL COMPLACENCY?

The global economy has rarely looked so good. All but five of 192 countries tracked by the International Monetary Fund are growing - a record high. Unemployment in Canada and the U.S. is at a 40-year low. Europe is well into its recovery. And Asia is giving the world more synchronized growth than we've seen in decades. No surprise that stock markets are surging. One economist dubbed the mood "irrational complacency." Trouble is, stocks have outpaced the economy for nine years running, which few would consider sustainable. Most of the economists at Davos felt that without recent rounds of fiscal stimulus - U.S. tax cuts and Canadian deficit spending, among them - we'd be heading for a correction this year.

So if we're closer to the end of a cycle than the beginning, what could bring about a downturn? Business leaders at Davos spent a lot of time looking at threats to the expansion, including cyber-attacks, climate disasters and looming trade wars that could force surplus countries like China to stop financing the debts of others like the U.S. But they generally looked through political risks like the Korean standoff. Brazil got some attention, as it heads into a landmark election that may produce a populist government and exacerbate the country's pension crisis. Italy, also in an election year, was highlighted for its fiscal challenges. But those concerns were not seen as threats to the global recovery. For the most part, the Davos crowd was bullish and that alone could be cause for concern.

2. DONALD TRUMP: FROM POLITICAL APPRENTICE TO DAVOS MAN

It was Donald Trump's week at Davos. Even before his helicopter touched down, the president's presence could be felt in pretty much every discussion, not least because he sent eight cabinet secretaries to project his "America First" agenda. A year ago, following Trump's election, Davos felt like a post-trauma patient. This year, the crowd seemed to be coming to grips with him. U.S. tax reforms are popular with business. Trump also pushed an agenda - trade fairness and middle-class jobs - that wasn't out of place in Davos. His advisors told business leaders they aren't anti-trade; they're just opposed to countries, particularly China, that don't follow the rules (as seen by Washington). Their support for a new NAFTA was also clear. The president might still give six months' notice of termination, but it seems the administration is angling for a deal with Canada and Mexico that would modernize the current agreement. On the final day, Trump's signature soundbite—"America is open for business" - was what most of the crowd wanted to hear, even if they could do without some of the other stuff. Does that make Trump an internationalist? Hardly. But it wouldn't be surprising to see him back.

3. EUROPE'S BACK, FOR NOW

Last year's Davos was full of eulogies for the European project, and even for Europe's history of liberal democracy. Elections in the Netherlands, France and Germany changed that. Emmanuel Macron took Davos 2018 by storm by projecting a 21st century vision for his country and the continent. The French president said he intends to cut taxes, reduce the size of government, reform pension plans and pour the savings into education and research to power innovation. It helps that the continent's economy is growing again, thanks in part to cheap money.

But headwinds are never far away. The EU has to work out a divorce with Britain and simultaneously come to terms with its own contradictions, on the size of government, the freedom of movement and the restrictions on free trade in services, among many other issues. Mark Rutte, the Dutch prime minister who fended off a nationalist threat last year, fears the continent isn't making the tough choices while it has strong leadership and an economic resurgence. His patience could be tested by Italy's election in March, when the populist 5 Star Movement may have its best showing yet. As Bruno Le Maire, France's economy minister, warned: without more growth and jobs, the populists will be back, and stronger than before. "We have no choice," he said, "but to succeed."

4. CHINA'S PRESENCE: LESS TALK, MORE ACTION

China was the star of last year's Davos, with President Xi Jinping using the stage to project his ambitions for global leader-ship. The regime was much less visible this year, but no less influential. Xi's top economic adviser, Liu He, outlined the government's priorities: to reform state-run industries, cut poverty and reduce pollution. And on the last count, China-watchers were clear: Xi's determination to fight climate change is serious, and stands to transform China and much of Asia. The massive, Chinese-led infrastructure project, the Belt and Road Initiative, is already setting new environmental standards for the region, and laying the ground for a seismic shift in global capital. China thinks the initiative can generate $2.5 trillion in trade within a decade, with new corridors connecting the Pacific Rim with both the Arabian Sea and the English Channel.

China's ambitions for technology are just as impressive, except they're not coming from government. Kai-fu Lee, the CEO of Sinovation Ventures, told the forum he's invested in 45 new AI companies in China since 2015, as part of what he called an AI "arms race" with Silicon Valley. He said Beijing is committed to making China an AI leader by 2030, and has built a new generation of "amazing engineering schools" to feed companies like his. China's advantage: fewer privacy restrictions, allowing businesses to access data in ways their Western competitors can't.

5. ECOSYSTEMS, AND THE RISE OF DIGITAL DARWINISM

Davos brings together governments, businesses, academics and activists from all corners of the world to share their experiences on emerging trends. This year, every conversation seemed to touch on concerns about the rapidly changing relationship companies have with their customers, and governments with their citizens. The best companies seemed to be trying to redefine their markets as ecosystems that they're building with suppliers, partners and customers, using each other's data to understand consumer needs. Jeff Schumacher, one of my favourite ecosystem thinkers at BCG Digital Ven-tures, predicted a new generation of specialty ecosystems - baby needs, for instance - that will require us to focus on our strengths and find others who can cover our weaknesses.

Data will make many of those decisions for us. Still unclear is whether producers and service providers will thrive in these new ecosystems, or be shaped by the so-called platform companies like Facebook and Amazon that act as intermediaries. Either way, consumers are winning, with more choice, more convenience, better prices and better experiences.

Smaller firms are thriving, too, especially those that can insert themselves in a fast-growing ecosystem. Perhaps it's no coincidence that this year's forum drew more small companies than ever. Just as the platform economy is disrupting old companies, it's giving rise to many more new ones. This Darwinian shake-up could even lead to what's being called a "splinternet" - a fractured digital world made up of many ecosystems rather than the global platforms that have dominated so far.

6. BIG TECH, LITTLE GOVERNMENT

The Silicon Valley tech giants used to be the cool kids at Davos. This year, panel after panel seemed designed to hold them accountable for a host of woes. Marc Benioff, the founder of Salesforce and a giant in the Valley, called for government regulations to rein in the search and social powerhouses. George Soros went further, lighting a firestorm at his annual Davos dinner by saying "social media companies exploit the social environment" in the same way oil companies used to exploit the natural environment. He singled out Google and Facebook as "utilities" that need to be taxed and regulated much more aggressively, and predicted a stronger EU would take the lead. France's Macron echoed the sentiment, more diplomatically, by calling on other governments to join him in trying to set a new international tax standard for the digital economy. It's un-clear how that would be administered—and also what problems the Valley'scritics are trying to solve. Tax fairness? Excessive market share? Invasion of privacy? Abdication of media standards? Or something else? While there's no clear response to the techlash, the Valley knows it has a problem and will have to engineer some solutions pretty quickly.

7. CRYPTOCURRENCY, BACK TO EARTH

Cryptocurrencies and their underlying blockchain technology were among the hottest topics at the forum, but not entirely for the right reasons. By the end of 2017, there were nearly 1,400 cryptocurrencies in circulation - digital money, in effect - with a combined market cap of roughly $610 billion, up from just $18 billion at the start of the year. And at least 33 of them were valued at $1 billion or more. The big financial trend of 2017 didn't have many fans at Davos, though. Larry Fink, the head of BlackRock, called them "an index of money laundering." That said, we should not lose sight of the utility of blockchain technology, which could be used to improve financial systems.

The message from governments was unequivocal, that we should expect regulation. Both Steve Mnuchin, the U.S. treasury secretary, and Christine Lagarde, the managing director of the International Monetary Fund, expressed concern about the possible use of cryptocurrencies for money laundering and terrorist financing. How they'll put the crypto-genie back in the bottle is a question they didn't answer.

8. THE WORKPLACE CRISIS

It wasn't lost on Davos planners that of all the social forces since the last forum, the most profound was #MeToo. An explosion of revelations about workplace harassment, abuse and violence has shaken the world, and reset the leadership conversation. The forum had more women delegates (although still low at 21%) and all-female team of co-chairs, including the IMF's Lagarde, IBM chief executive Ginni Rometty and Norwegian Prime Minister Erna Solberg. Programs are one thing; changing culture is another. In his keynote, Prime Minister Justin Trudeau threw the challenge back to the audience, saying government and business leaders need to come to grips with the nature of many workplaces. While leaders typically use the forum to pitch their countries to investors, Trudeau opted for moralism over mercantilism. He urged the Davos crowd to "hire, retain and promote more women," and for governments to pursue better family leave benefits, more investment in girls' education and, perhaps most critically, a change in attitude around diversity. It's good for business, he said. It's also a Canadian advantage.

9. IN LESS WE TRUST

On the opening day of Davos, the annual Edelman Trust Barometer showed we live in a divided world of trust. It's growing in the East and fading in the West, with Canada somewhere in between. But while most Canadians distrust government, our global brand for business is now the most trusted in the world, just ahead of Switzerland, Sweden and Australia. The Edelman barometer, which surveys 32,000 people in 28 countries, found that trust was down in 22 of them. Worst of the lot: the United States, which saw a 37% drop in trust across all institutions. In every business meeting I attended, the subject of public trust and corporate citizenship was front and centre. It's no longer about social responsibility, or giving back. It's about strengthening an organization's role in its community, and being there for the long haul. That's not easy when, in the digital space, most organizations don't get to see their customers anymore, or vice-versa.

There are glimmers of hope, though, including a return of trust in expertise. In the Edelman survey, credibility measures for technical experts, financial industry analysts, journalists, business leaders and successful entrepreneurs are no longer in the red. One reason is a growing distrust of the tech platforms that were once seen as the great democratizer of expertise, and a spike in trust in the experts themselves. No one wants to lose the openness and connectivity of the Internet, but an appreciation of credentials wouldn't be bad, either.

10. ROBOCALYPSE, LATER

Business leaders are concerned about the threat of automation to their operating model - and their employees. They're also not confident governments or the education system can help workers stay in front of the tidal wave of change that's coming. We know technological disruption rarely reduces overall employment. But we also know that advances in AI and robotics will change the skills required in most jobs faster than we anticipate. Our workforces will need to be more nimble and adaptive than ever. Ruth Porat, Google's chief financial officer, says 90% of new jobs in Europe require digital aptitudes, even though they're in short supply. She says it's not about coding. "It's about spreadsheets and writing emails and making presentations." Not always easy for a truck driver or cashier.Rather than letting those employees go, some businesses are finding it cheaper (and smarter) to invest in a new trend called "radical retraining." The challenge is that across the world governments have cut spending on education and training. David Autor, an economist at the Massachusetts Institute of Technology, thinks a massive investment in new education systems may be needed, just as the state college system was expanded at the turn of the last century to help youth displaced by mechanized farming. Yuval Noah Harari, the best-selling author of Sapiens: A Brief History of Humankind, thinks we need a more radical rethink of education and lifelong learning. If not, the social cost of the Fourth Industrial Revolution may be worse than that of the First, for a simple reason raised by Harari: "People fear something worse than exploitation. They fear irrelevance." And that may be the greatest challenge of our time: to maintain and strengthen our human relevance as we turn to machines to do more and more for us. If we can't get ourselves right, all the other challenges of Davos won't get solved, either.

COLLECTING EMPLOYMENT INSURANCE MAY BE HARDER THAN YOU THINK

Rachael Lake, lawyer with Waterloo Region Community Legal Services

Employment insurance (EI) is the modern name for Unemployment, which makes about as much sense as the Act itself, since you need it when you are unemployed. While most employed people pay into EI, it fails to catch many people who become unemployed in its social safety net. In this article, I will be talking about regular EI benefits, as opposed to benefits delivered through EI such as maternity, parental, compassionate care and parents of critically ill children. Of the litany of reasons one may quit or lose their job, EI mainly protects those who get laid off because of work shortage or the company closing altogether, and even then, it's only the workers who have accumulated enough hours. You must always have enough insurable hours to qualify for EI, and that number varies in every region of the country based on local unemployment rates. As a result, newly employed workers, part-time employees and people who have a hard time holding on to a job often do not have enough hours to qualify.If you quit your job, but for a few very specific reasons, you will not get EI. Going back to school? Self-initiated change of career? Following your new girlfriend to Vancouver? These examples constitute voluntarily leaving your job. You will not get EI. However, if your boss is sexually harassing you, or maybe wants you to commit EI fraud or do something else illegal, you are likely to get it if you had no reasonable alternative to quitting and can substantiate what you are claiming. You are also permitted to follow your child, spouse or common law partner (living together for one year, or more or having/adopting a child together) to another city or province, as long as you can show that you have no reasonable alternative to leaving your job and you are ready and looking to work in your new city.

If you are fired, you are most likely not going to get EI. If you violate your company's policies or plan a vacation without getting proper approval that results in your termination, you will not get EI. For many Canadians with families in distant parts of the world, it can be difficult to get enough consecutive days off to go visit them. Be 100 per cent certain of the dates you have been approved for prior to booking your flight and leaving the country.

If you are laid-off, but you receive other benefits, you may not get anything from EI. If your short or long-term disability payments, Workplace Safety and Insurance Board (WSIB) benefits or Canadian Pension Plan (CPP) income is higher than your EI entitlement, you are unlikely to get anything.

Always consult with a lawyer about your specific situation if you are concerned about your EI entitlement. Do not rely on what you think you know, or what happened to your Uncle Jo when he got laid off. Although EI is hard to get, there are some situations where the EI Commission makes the wrong decision and you can appeal. If you have been denied by the EI Commission, you have the right to request a reconsideration of their decision, and the right to appeal to the Social Security Tribunal after that. Many, but not all, community legal clinics can give you summary advice on EI matters. Contact yours directly if you have questions or concerns about EI.

Rachael Lake is a staff lawyer with Waterloo Region Community Legal Services, practising in the areas of Disability and Employment Insurance Law. Reasonable Doubt appears on Mondays.

A word of caution: You should not act or rely on the information provided in this column. It is not legal advice. To ensure your interests are protected, retain or formally seek advice from a lawyer. The views expressed in this article do not necessarily reflect those of Waterloo Region Community Legal Services.

Thought Provoking

JOBS OF THE FUTURE

Will your job go extinct? Find out how precarious your profession is

New developments in artificial intelligence and robotics put 42 per cent of Canadian workers at high risk of seeing their jobs disappear or significantly changed in the next two decades, a new report concludes.

But the data does not paint an entirely negative picture. Using the Canadian Occupation Projection System (COPS), we found that the occupations with the lowest risk of being affected by automation, which are correlated with higher earnings and education, are projected to produce nearly 712,000 net new jobs between 2014 and 2024.

As with any type of forecasting exercise, there is always going to be uncertainties associated with the predictions. However, we do hope that this study provides a tool to help guide future decision making.

For a comprehensive summary chart, please click on this link: http://brookfield institute.ca/research-analysis/automation.

WAYS TO TRIM YOUR TAX BILL IN 2018

By Erica Alini
National Online Journalist, Money/Consumer Global News

According to Statistics Canada's Labour Force Survey The new year is almost upon us, and last-minute shopping, holiday parties and work deadlines are cramming everyone's schedule. But taking some time to plan ahead before Jan. 1 could help you trim the tax bill that awaits you come April.

Here are five things that might help you save tax dollars in 2018.

MAKE CHARITABLE DONATIONS

If you're planning on donating to charity make sure to do so by Dec. 31. Federal and provincial tax credits for gifts and donations can result in savings of up to 50 per cent of the value of the charitable contribution, according to Jamie Golombek, managing director of tax and estate planning with CIBC's wealth strategies group.

And 2017 is the last year when you'll have to claim the so-called first-time donor's super credit (FDSC), which is available if neither you nor your spouse or common-law partner has claimed the donations tax credit from 2008 to 2016. The FDSC grants an additional 25 per cent tax break on cash gifts of up to $1,000.

"Keep in mind that many charities offer online, internet donations where an electronic tax receipt is generated and emailed to you instantly," writes Golombek.

GO TO THE DOCTOR

If you're due for an eye exam or have been putting off a visit to the dentist, you might want to stop procrastinating.

You can claim medical expenses on your tax return, if you paid for them yourself, as long as the amount is more than the lesser of either $2,268 or three per cent of your net income. You can combine your expenses with those of your spouse or common-law partner and dependent children and claim them on a single return.

If you're close but under the minimum threshold, you might want to prepay in 2017 for expenses you would otherwise incur in 2018.

"For example, if you expect to pay monthly instalments for your child's braces in 2018, consider paying the full amount up front in 2017 if it will raise total medical expenses over the threshold," writes Golombek.

You'll need receipts to be able to include those expenses on your return. Rather than combing through dozens of pieces of paper, you can ask pharmacies and healthcare providers for a printout that details your total annual expenses, according to financial adviser Marie Engen.

PAY THE INTEREST ON YOUR STUDENT LOANS

You can claim the interest paid by Dec. 31 on government student loans on your 2017 tax return. This is a non-refundable tax credit, meaning that you won't get cash back but a dollar-for-dollar reduction of your tax bill equal to the amount of interest paid.

While only the student can claim this credit, a relative, such as a parent, can pay on her or his behalf.

HOME ACCESSIBILITY RENOVATIONS

Since 2016, Canadians aged 65 and over and those with disabilities can claim a non-refundable tax credit on certain renovation expenses that make their home more accessible and functional. Think of things like a wheelchair ramp or grab bar in the shower.

The tax credit is equal to 15 per cent of expenses up to $10,000 per year, but in order to claim those costs on your 2017 return, you'll have to pay by Dec. 31.
Some of these purchases qualify for both this and the medical expense tax credit, and both can be claimed, according to Golombek.

INDIVIDUALS WITH CHANGES TO TAX RATES

In many instances, the year-end tax advice involves spending now in order to claim tax credits and deductions in the next year. But when it comes to your income, whether you should act now or wait until Jan. 1 depends on your specific situation.

In general, if you expect your income taxes to be substantially higher in 2018, it may make sense realize any additional income before Dec. 31 in order to take advantage of the lower tax rate in 2017. For example, you may want to take a bonus before the end of the year rather than in January, notes Golombek. British Columbia, for example, is adding a top personal marginal tax rate of 16.8 per cent of taxable income that exceeds $150,000.

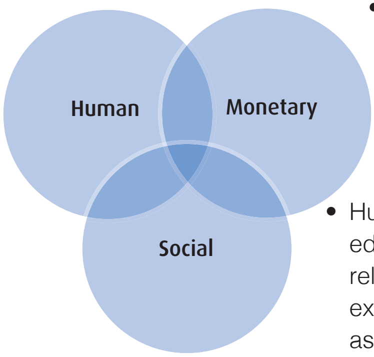
The opposite principle applies if you anticipate your income taxes to be lower next year. In Saskatchewan, for instance, all marginal tax rates will decrease by 0.25 per cent for 2018.

INTERGENERATIONAL WEALTH TRANSFER

BMO Financial Group, January 2017

The successful transfer of wealth to the next generation requires the careful construction of a plan that considers the wealth requirements of each generation and the communication of a family constitution across the generations. Only about 10% of wealthy families adequately prepared the heirs for their future. Intergenerational wealth transfer does not happen by accident; families must work together to document their constitution and build family governance that will manage the wealth over the generations.

Wealth is composed of three parts; human capital, monetary capital and social capital.



- Monetary capital is made up of active businesses, holding companies, real estate holdings, heirloom assets, art, collectables or investment portfolios.
- Human capital is made up of the education, social involvement, relationships within the family and external, community involvement as well other family beliefs.
- Social capital is made up of private foundations, the family's charitable gift plans, accrued income taxes and current income tax liabilities.

A family constitution is a type of manifesto, first drafted by the wealth creator and subsequently updated by successive generations. The document sets out the family's money motto which touches on the family's feeling about money, how the family uses and interacts with money, how money influences family members, etc. While all family members will have different and unique money mottos it is important that the family have a core motto.

The family constitution sets out the family's values, the family's standards and the expectations of family members. Guidelines would be drafted that set out what is expected of family members in return for enjoying the resources and support of the family. Distinguishing and valuing each family member's unique contributions is an important step in looking beyond the pure financial aspect of family wealth.

LEGAL DOCUMENTS

The family will want to ensure that all of their legal documents are current and harmonized in order to complete their inter-generational wealth transfer. Conflict can arise if the family plan calls for assets to pass to certain heirs but the shareholders' agreement obligates a different transaction, or the will gifts the assets to other heirs.

Shareholders' agreements are important in family situations because they set out the rights and obligations of the shareholders. Shareholders' agreements would also deal with dividend policies and/or redemption policies so that the entire family clearly understand the overall financial situation. Families may want to consider additional documents that deal with family hiring policies, performance reviews, salaries and raises.

Wills are important to ensure that individually held assets are passed to the appropriate beneficiaries given the family's inter-generational wealth plan. Well-crafted wills are required in order for each family member to ensure his/her obligations are planned and the overall family's intergenerational wealth plan is completed as intended.

LONG TERM STRUCTURES

The family's financial assets could pass from one generation to the next through individual wills, trusts or inter vivos gifting. No one system is better than another. The sustainability of any plan will depend on the family constitution and following the guidelines as set out.

Trusts are one option to consider, as long as planning incorporates the income tax laws that trigger a deemed disposition every 21 years. Holding companies are another option as long as the shares can be designed with certain attributions for each generation which can be converted as family members change status.

OPTIONS FOR INTER-GENERATION WEALTH TRANSFER

Wealth will eventually be transferred from one generation to the next. There are many options for inter-generational wealth transfer plans; the wealth could be divided equally amongst the children, who would in turn divide their portion of the wealth among their children. Alternatively, the wealth could be kept together and all of the beneficiaries could have a divisible interest in assets, a trust or a corporation. These two options are at the extreme end of the spectrum, it will be up to each family to decide where on the spectrum is appropriate for their family. It is important to note that

a family could use different plans for different assets; for example the family retreat or investment portfolio might be centrally owned where the operating business(es) are owned by those managing the operations.

Intergenerational wealth transfer does not happen by accident; families must be proactive if they want their wealth to benefit future generations. Planning involves looking into the foreseeable future and setting goals can be accomplished with minimal issues.

HOUSING

A MAJOR BANK JUST HIKED MORTGAGE RATES - AND THIS TIME, IT'S A BIG DEAL

Fred Lum, The Globe and Mail, January 20, 2018

Canada's mortgage-rate trendsetter, Royal Bank of Canada, hiked its posted five-year fixed mortgage rate Thursday.

In days gone by, I never would have written about this. Posted rate changes were no big deal.

TODAY, THEY ARE.

Government regulations now force most Canadians to prove they can afford much higher rates before getting approved for a mortgage. This "stress testing," as it's called, makes RBC's seemingly insignificant rate change quite consequential indeed.

It's been a long time coming.

The Bank of Canada's posted five-year fixed rate is used for most mortgage stress testing in this country, and it has been four years since it last exceeded 5 per cent.

RBC's 15-basis-point increase to its posted five-year fixed rate could mark an epoch in Canada's mortgage qualification rate. If a few more Big Six banks follow its lead (and I think they will), the qualification rate will jump from 4.99 per cent today to 5.14 per cent next week, making the stress test even harder. (Update: TD followed RBC in hiking rates on Friday, raising its five-year fixed rate to 5.14 per cent.)

In fact, mortgage borrowers haven't had to qualify at rates that high since 2008 (back when government stress testing hadn't even started).

Assuming other banks follow RBC, a 5.14-per-cent qualification rate would cut a borrower's buying power (maximum mortgage amount) by roughly 1.4 per cent. For a household making $70,000 a year, that means a $4,000 to $5,000 smaller maximum mortgage. And the actual impact could be even more depending on the borrower's qualifications, contract rate, equity and whether they have default insurance.

Now, $4,000 to $5,000 less "mortgageability" may not sound like much, but when you're bidding against multiple buyers or desperate to consolidate high-interest debt, every $1,000 counts. That's why up to 5 per cent to 10 per cent of uninsured bank borrowers (that is, those with 20-per-cent-plus equity who can't pass the stress test) could migrate to credit unions this year. The higher the banks' five-year fixed rates go, the more borrowers they'll lose to credit unions.

The Bank of Canada's on deck.

If bond traders are right, the prime rate will rise 25 basis points after Jan. 17. (A basis point is 1/100th of a percentage point.) That's because markets are pricing in a three-in-four chance the Bank of Canada hikes rates that day.

That, in part, has driven bond yields to four-year highs. And higher bond yields in turn drive higher fixed mortgage rates. But even if you knew higher rates were on the way, it wouldn't help you pick a mortgage.

While traders expected rates to jump 50 to 75 basis points this year – and they very well might – rate expectations change on a dime. For all anyone knows, rates could dive next year or in 2020, thanks to Canada's structurally low inflation, uncertainty over the North American free-trade agreement and housing headwinds, and hypersensitivity to interest rate hikes. That's why your average mortgage rate over five years is far more important than your rate this year.

THE BEST APPROACH TO HIKES

Forget all the noise, forget your personal rate outlook and focus on risk management. This advice works because long-term rate moves are random and unpredictable.

The central question should be: If your mortgage rate jumps one or two percentage points by the time you renew, can you handle a 5-per-cent to 20-per-cent leap in your payments?

If yes, you can still find variable rates as low as prime minus 1.25 per cent (insured) and prime minus 0.86 per cent (uninsured). Anything better than prime minus 0.70 per cent offers solid risk-reward in this economy.

If you can't comfortably handle a near-term jump in payments, you're probably more suited to a five-year fixed. That's not such a bad thing since the best five-year fixed rates are still below 3 per cent.

But five-year fixed rates below 3 per cent may not be around by
year-end. So if you're heavily risk averse or need a preapproval, lock 'em while you got 'em.

- What the new mortgage rules mean for homebuyers
- http://www.moneysense.ca/news/what-the-new-mortgage-rules-mean-for-homebuyers-in-2018/

What the new mortgage rules mean for homebuyers

There are two scenarios new buyers can anticipate

Today, the Office of the Superintendent of Financial Institutions (OSFI) introduced new rules on mortgage lending to take effect next year.

OSFI is setting a new minimum qualifying rate, or "stress test," for uninsured mortgages (mortgage consumers with down payments 20% or greater than their home price).

The rules now require the minimum qualifying rate for uninsured mortgages to be the greater of the five-year benchmark rate published by the Bank of Canada (presently 4.89%) or 200 basis points above the mortgage holder's contractual mortgage rate. "The main effect will be felt by first-time buyers," says James Laird, co-founder of Ratehub.ca. "No matter how much money they put down as a down payment, they will have to pass the stress test." The effect of the changes will be huge, resulting in a 20% decrease in affordability, meaning a first-time homebuyer will be able to buy 20% less house, explains Laird.

MoneySense asked Ratehub.ca to run the numbers on two likely scenarios and find out what it would mean for a family's bottom line. Here's what they found:

SCENARIO 1: Bank of Canada five-year benchmark qualifying rate

In this case, the family's mortgage rate, plus 200 basis points, is less than the Bank of Canada five-year benchmark of 4.89%.

According to Ratehub.ca's mortgage affordability calculator, a family with an annual income of $100,000 with a 20% down payment at a five-year fixed mortgage rate of 2.83% amortized over 25 years can currently afford a home worth $726,939.

Under new rules, they need to qualify at 4.89%

They can now afford $570,970

A difference of $155,969 (less 21.45%)

SCENARIO 2: 200 basis points above contractual rate

In this case, the family's mortgage rate, plus 200 basis points, is greater than the Bank of Canada five-year benchmark of 4.89%.

According to Ratehub.ca's mortgage affordability calculator, a family with an annual income of $100,000 with a 20% down payment at a five-year fixed mortgage rate of 3.09% amortized over 25 years can currently afford a home worth $706,692.

Under new rules, they need to qualify at 5.09%

They can now afford $559,896

A difference of $146,796 (less 20.77%)

If a first-time homebuyer doesn't pass the new stress test, they have three options, says Laird. "They can either put down more money on their down payment to pass the stress test, they can decide not to purchase the home, or they can add a co-signer onto the loan that has income as well," says Laird. The stress test will be done at the time of refinancing as well, with one exception. "If on renewal you stay with your existing lender, then you don't have to pass the stress test again," says Laird. "However, if you change lenders at mortgage renewal time, you may have to pass the stress test but it's not crystal clear now if this will be the case for those switching mortgage lenders."

So if you're a first-time homebuyer, it may mean renting a little longer and waiting for your income to go up before you're able to buy your first home. Alternatively, some first-time buyers will buy less — maybe a condo instead of a pricier detached home. Or, the new buyers may opt to get a co-signer to qualify under the new rules.

But whatever you do, if you're a first-time buyer, make sure you understand what you qualify for using the new regulatory rules, and get a pre-approved mortgage before you start house-hunting. "This shouldn't be something that shocks you partway through the home-buying process," says Laird.

And finally, do your own research and run the numbers on your own family's income numbers. You can use Ratehub.ca's free online mortgage affordability calculator to calculate the impact of the mortgage stress test on your home affordability.

5 THINGS YOU NEED TO KNOW ABOUT TIME AND KNOWLEDGE NAZRANA (TKN) IN THE DIAMOND JUBILEE

It was in the Golden Jubilee when Mawlana Hazar Imam launched the Time and Knowledge Nazrana endeavour — a framework in which to engage an immense pool of expertise to help build, stabilize, and grow the programs within the Jamati and Imamat institutions.

Time and Knowledge Nazrana, or TKN, is an avenue for Jamati members to offer their expertise in order to enhance the lives of the Jamat and the communities in which they live. Since the Golden Jubilee, TKN volunteers have contributed their time and knowledge for programs in their own Jamatkhanas, provinces, countries, and around the world.

In the Diamond Jubilee, Mawlana Hazar Imam has once again offered his Jamat the opportunity to give a gift of time and knowledge. Here are a few key things you should know about TKN in the Diamond Jubilee:

OFFERING A GIFT OF TIME AND KNOWLEDGE NAZRANA BEGINS IN JAMATKHANA

Jamati members looking to submit a gift of TKN to the Imam on the occasion of his Diamond Jubilee, must do so by visiting the TKN desks in Jamatkhana followed by completing the registration process online.

UPDATING YOUR GOLDEN JUBILEE TKN PROFILE ONLINE DOES NOT AUTOMATICALLY REGISTER YOU FOR THE DIAMOND JUBILEE TKN.

Jamati members that have updated their Golden Jubilee TKN profile online are not automatically registered for the Diamond Jubilee TKN. For Diamond Jubilee TKN Registration, please visit your TKN Desk in Jamat Khana.

TIME AND KNOWLEDGE NAZRANA IN THE DIAMOND JUBILEE IS OPEN TO JAMATI MEMBERS OF ALL AGES

All Jamati members have the opportunity to offer a gift of time and knowledge to the Imam.

TIME AND KNOWLEDGE NAZRANA IN THE DIAMOND JUBILEE HAS NO EXPIRY DATE AND CAN BE USED AT ANY POINT IN THE FUTURE

In the Diamond Jubilee, your gift of TKN extends beyond the jubilee year. This means that you can be called upon to serve now or 10 years from now—this gift has no expiry date and is available for use at the Imam's discretion.

THE OPPORTUNITY TO GIVE A GIFT OF TKN EXPIRES ON JULY 11, 2018

Jamati members wishing to give a gift of time and knowledge nazrana, must do so in Jamatkhana before July 11, 2018.

For more information about Time and Knowledge Nazrana, please visit timeandknowledge.org or visit the TKN desk at your local Jamatkhana.

HAS THE CRYPTO BUBBLE POPPED?

Aziz Bin Zainuddin, Crowdfund Insider

2018 has been a miserable year for cryptocurrencies, as prices have dropped by as much as 70% since their highs since the start of the year. The market capitalization of the entire cryptocurrency market fell from a little over $800 billion in January to a low of $250 billion, fueling an atmosphere of anxiety, fear and doubt towards cryptocurrencies. For those that invested in Bitcoin at it's height of $19,000 in January and held on to it at its current price of around $8,000, it is pretty clear why many has pointed to the popping of the cryptocurrency bubble.

CRYPTOCURRENCY VALUATION

Unlike stocks and bonds, it is extremely difficult to quantify the value of cryptocurrencies. According to many experts, the radical volatility of cryptocurrencies and the trading practices in many unregulated exchanges makes it prone to a high degree of manipulation. The absence – or limitations – of various metrics to measure the adoption rates and growth indicators compounds the issue; that is why many refer to the cryptocurrency space as the 'wild west' of the investing sphere.

A bubble – in the economic context – is usually defined as the movement of asset prices way beyond its intrinsic value. It's easy to understand what comes next. This unsustainable bubble will 'pop' when the market panics and tries to pull out, leading to a carnage. This is exactly what we're seeing now.

KEEPING PRICES IN CHECK

It is important to keep in mind that at the peak of the cryptocurrency frenzy back in December 2017, the prices of cryptocurrencies and tokens were exponentially increasing in a short amount of time. It was normal for prices to double or triple in a span of only a few days, and it seemed that there was no stopping the craze that has taken the world by storm.

Taking Ethereum (ETH) as an example, it's prices increased from $7 at the start of 2017 to over $1,400 by year's end! That's a staggering increase of over 5,700% in 2017. Clearly, that isn't something that is sustainable in the long-run and many opined that it was only a matter of time before prices started correct itself. Nouriel Roubini of Roubini Macro Associates mentioned that Bitcoin is the "mother of all bubbles," and its bubble is now bursting, speaking in an interview on Bloomberg Television. He also added that "virtually every" Group of 20 country is talking about cracking down on the phenomenon as policymaker grow worried.

PLAYBACK OF NEGATIVE NEWS

Perpetuating the correction could be attributed to a series of events by regulators' stance towards cryptocurrencies. The harsh outlook from Chinese and South Korean regulators – which constitutes a huge portion of the trading value for cryptocurrencies - had caused uneasiness in the market. Chinese regulators escalated the crackdown on cryptocurrency trading, targeting online platforms and mobile apps that offer exchange-like services. A similar stance was also afforded by South Korean authorities when they planned to ban cryptocurrency trading after raiding local exchanges on alleged tax evasion.

Aside from major Asian countries, Russia signaled that it could start cracking down on cryptocurrencies, prompting Russian President Vladamir Putin to state that "legislative regulation will be definitely required in future" for cryptocurrencies.

On the corporat front, Facebook had opted to ban any ads affiliated with cryptocurrencies or Initial Coin Offerings (ICO), under the banner of eradicating 'scams and frauds' plaguing the cryptocurrency market. In fact, other tech giants such as Google, Twitter and Mailchimp have also joined forces to ban advertising of cryptocurrencies on their platform. This is a significant blow the cryptocurrency market that could potentially curb awareness and adoption.

INFANT TECHNOLOGY

All that being said, the reduction of prices across the board should not be an indicator of an absence of value in cryptocurrencies or even – in the worst-case scenario – of them being 'scams or ponzi schemes'. It is important to note that Bitcoin and cryptocurrencies in general are in their infancy stages, backed by a revolutionary technology that could potentially disrupt a great bunch of industries. the problems that cryptocurrencies aim to solve, such as international money transfers and blockchain-based smart contracts, justify its use and prove their value. These fundamental reasons should be the proxy of the success of this space, not the volatility of cryptocurrency prices fueled by speculation. It is only a matter of time before this vision is realized.

Many suggested that early-stage technologies are often subjected to a high degree of volatility and risks, such as the internet when it first gained mainstream adoption. The internet hype that led to dot-com bubble and its subsequent burst did not signal the death the internet. At that point of time, it was hard to imagine what mainstream adoption of the internet would look like. Now, the internet represents an ubiquitous part of our lives.

Corrections are a key component that aids in the maturation of cryptocurrencies as an asset class. A high-level of speculation in an infant market is normal, given the lack of track record and the seemingly high risks involved.

INSTITUTIONAL PARTICIPATION

As the market continues to mature and grow, it would progress to be more complex as differentiation of assets starts to be priced in. Ultimately, the best way for the retail masses to participate in the cryptocurrency market is through professionally-managed investment vehicles, in a bid to mitigate and diversify the risks. A good indicator of a maturing asset class is the emergence of investment products that provides investors with better risk-adjusted access. We can already see that happening, as many institutional players are looking to explore the nascent industry with a great deal of opportunity.

CONCLUSION

The recent price decline may be a painful for many investors in the still developing cryptocurrency market. However, it should be pointed out that cryptocurrencies are a paradigm shift that has the potential to revolutionize our world. Regulatory actions by governments could actually help in laying the groundwork for cryptocurrencies and Blockchain to come back bigger.

IGNITE GROWTH SUMMIT 2017 GALVANIZES ISMAILI ENTREPRENEURS AND BUSINESS PEOPLE

For 400 Ismaili businesspeople, entrepreneurs, professionals, and others aspiring to join their ranks, the Pan Pacific Hotel in Vancouver was the destination for the Ignite Growth Summit 2017 (the rebranded Alliance Conference Canada (ACC)) held the weekend of October 27-29, 2017.

The aim of the conference was to build business and professional alliances and to harness the collective knowledge of the Ismaili community to 'ignite' growth amongst entrepreneurs. The conference created an avenue for professionals and businesses to collaborate, to leverage scale, and to identify best practices. The ACC was rebranded to broaden its appeal to attract those who are outside the current alliance framework. This was an essential step to encourage further collaboration and growth amongst professionals and businesses in this age of disruption and exponential growth. Conference delegates came from all over North America, with over half of them from outside B.C.

Ignite featured 30 speakers who gave a mix of plenary talks, fireside-chat interviews, and breakout sessions. There were many notable speakers at the conference including Rudy Karsan, former CEO of Kenexa; Bob Rennie, founder of Rennie Marketing Systems, one of Vancouver's largest real estate firms; Asiff Hirji, a partner with Andreeson Horowitz, and former Chief Restructuring Officer at HP; Karimah Es Sabaar current Chair of the Health and Biosciences Economic Strategy Table, appointed by the Government of Canada and former Chair of Life Sciences BC; Imran Amad, Member of the Order of the British Empire (MBE), founder and CEO of Business of Fashion; and former CNN anchor Zain Verjee.

Harvard educated Imran Amad inspired the conference with his call for 'follow your passion' relaying stories about how he left his comfortable job at McKinsey to follow his dream in the fashion world where he has become an icon.

Anchor Zain Verjee, who worked for CNN for over 14 years during which time she interviewed princes, prime ministers, and presidents, related her story of perseverance after having been rejected over 15 times for having no experience.

The Chair of Innovation Canada, Karimah Es Sabaar, who is considered amongst the top 100 most influential women in Canada, shared her experiences and asked the delegates to "…Work together, collaborate to develop authentic relationships and partnerships. This is essential to for progress and development of alliances. Innovation without ethics is evil. And ethics without innovation is poverty."

In a fireside chat session, real estate mogul Bob Rennie left the audience with this poignant message: "With everything you do, you're either enhancing your brand or you're diluting your brand, if some miracle happens, you're maintaining your brand."

The centerpiece of the conference was Saturday evening's Gala dinner speaker Neil Pasricha, author of the best-selling book, 'The Happiness Equation', who energized the crowd with his entertaining monologue and presented tools to feel happier every day. He told the audience, "It's easier to act yourself into a new way of thinking than it is to think yourself into a new way of acting," he said.

YOUNG PROFESSIONALS FIRESIDE CHAT

The Ignite Summit also featured a two-hour fireside chat session for 130 aspiring young professionals. Imraan Juma, the young professionals lead, explained that the motivation behind the session was to give the youth and young professionals who were unable to attend the entire conference the opportunity to get exposed to what our community has to offer, what the alliances are, and the kind of opportunities that exist within our community. The session was conducted in an informal interview style by Daily Hive's Editor-in-Chief Farhan Mohamed as anchor. It featured former Kenexa CEO Rudy Karsan, Azim Jamal of Retirement Concepts, and Soular founder Salima Visram.

Speaking with the youth and young adults, Rudy stressed a point he'd made earlier during the plenary session. Asked how he balanced his many responsibilities and found success, Karsan said: "It's not about balance, it's about focus."

A LASTING IMPRESSION

The conference, which has been held annually since 2012, was organized by the Aga Khan Economic Planning Board (AKEPB) for Canada in collaboration with the Ismaili Business and Professionals Association (IBPA) and Alliance Canada. As a result of initiatives by AKEPB, IBPA and Alliance Canada, over 25 alliances have been successfully launched in Canada. The two leading alliances, Jubilee Hospitality Association Canada (JHAC) representing hotel owners and operators in Canada, and Effective Pricing Solutions (EPS) representing owners and operators of seniors' care homes, are now amongst the leading organizations in their respective sectors in Canada. Others such as the FAPA (Finance and Accounting Professionals Alliance) are also active with chapters across Canada. Support from the leading alliances and their vendor partners were financial cornerstones for the conference.

AGA KHAN ECONOMIC PLANNING BOARD FOR CANADA SERVICES

THE MANDATE OF THE AGA KHAN ECONOMIC PLANNING BOARD IS TO IMPROVE THE ECONOMIC WELL-BEING OF OUR JAMAT BY PROVIDING GUIDANCE AND ASSISTANCE TOWARDS A SOUND FINANCIAL BASE. THE AKEPB PROVIDES THE SERVICES IN THE FOLLOWING PROGRAM AREAS:

COMMUNICATIONS AND FINANCIAL LITERACY (CFL):

The mandate of the CFL portfolio is to provide the Jamat with information and education in economic and financial matters to provide a basis for substantial and prosperous livlihoods. Service offerings include:

- ECONOMIC UPDATES AND INSIGHTS:
  Provide the Jamat periodic economic updates and insights through speeches, economic forums and the newsletter.
- ADVANCEMENT IN FINANCIAL LITERACY:
  Provide the Jamat with access to foundational content, training and services related to personal financial well-being.
- CREDIT COUNSELING SERVICES through partnerships with Consolidated Credit Counseling Services of Canada (CCCS) which provide confidential credit counseling service independent of the Ismaili Institutions. Services can be accessed through a dedicated website with CCCS: http://jamati.budgetlounge.ca.

ENTREPRENEURSHIP:

The Entrepreneurship Portfolio supports the Jamat in business undertakings through the following initiatives:

- BUSINESS COUNSELING SERVICES:
  Pair participants with a successful entrepreneur from the same industry to help counsel them. This is one of the portfolio's most demanded programs as feedback has shown applicants have experienced an increase rate of profit and growth after enrollment.
- BUSINESS WORKSHOPS:
  Provide education sessions throughout the year in all regions covering various topics such as developing business plans, start-up showcases, marketing, the art of selling and applying for government grants and loans.
- FUTURPRENEUR CANADA:
  Work in conjunction with this national non-profit organization to provide financing, mentoring and support tools to aspiring business owners aged 18-39. The internationally-recognized mentoring program hand-matches young entrepreneurs with a business expert from a network of more than 2,800 volunteer mentors.
  More information at: http://www.futurpreneur.ca.
- POWER PAIRINGS:
  Connect high-profile mentors who have industry-specific expertise with ambitious young professionals in need of guidance in career development. The program is designed for young professionals who have a minimum of five years of work experience. Inquiries can be made to powerpairings@gmail.com.
- COMMUNITY DEVELOPMENT VENTURE FUND (CDVF):
  Support entrepreneurs, particularly Jamati members who have been unable to succeed in obtaining financing from traditional institutions, through a privately held partnership founded by independent "impact investors".

HOUSING:

The mandate of the Housing Portfolio is to ensure that the Jamat has safe, affordable, quality housing in desirable neighborhoods, and to encourage home ownership. Services include:

- CRISIS HOUSING
  Respond to and resolve immediate needs of shelter for displaced Jamati members.
- TRANSITION HOUSING
  Support Jamati members in low-income segments spending more than 30% of their after-tax income on shelter and help move them into affordable housing.
- GOVERNMENT PROGRAMS
  Provide information and process for securing Government housing primarily to seniors.
- PREVENTATIVE EDUCATION
  Through various communication mediums, inform and educate the Jamat on important housing matters.
- STRATEGIC INITIATIVES
  Identify and execute on transformational initiatives that accelerate the placement of low-income families in safe and quality housing

ISMAILI BUSINESS PROFESSIONALS ASSOCIATION (IBPA):

THE MANDATE OF IBPA IS TO BRING BUSINESS OWNERS AND PROFESSIONALS TOGETHER TO NETWORK AND SHARE IDEAS AND BEST PRACTICES. IBPA ALSO HOSTS EDUCATIONAL SEMINARS FOR ITS CONSTITUENTS, KEEPING THEM WELL-INFORMED ON ISSUES THAT AFFECT ALL ASPECTS OF THEIR BUSINESSES AND PROFESSIONS.

- ALLIANCES

  Under the IBPA umbrella, the Alliances movement brings together business owners and professionals to network and share best practices within their fields. Coming together also results in economic advantages due to using similar vendors and service providers for all members involved.

- IGNITE GROWTH CONFERENCE

  An annual conference for business owners, professionals, entrepreneurs and aspiring entrepreneurs. This conference consists of talks from renowned speakers, workshops, break-out sessions and one-on-one mentoring for all who attend.

- IBPA NETWORK

  An information delivery channel used to send information to all business owners, professionals, entrepreneurs and Jamati members on all Economic Planning Board (EPB) events across the country, by region. To sign up please log on to https://ibpacanada.com/newmailing/index.html.

SKILLS EMPLOYMENT PLANNING (SEP):

THE MANDATE OF SEP IS TO EMPOWER INDIVIDUALS TO ACQUIRE THE SKILLS AND KNOWLEDGE REQUIRED FOR GAINFUL EMPLOYMENT AND LONG-TERM ECONOMIC SUSTAINABILITY. SERVICE OFFERINGS INCLUDE:

- Career counseling: consultations with experienced counselors in a confidential and safe environment
- Skills enhancement: receive a career skills assessment, learn about opportunities for upgrading, including learning English as a second language, and vocational training support
- Resume support: Access help with resume writing and interview preparation
- Job search support: Exploring job search strategies including networking and career transition preparation
- Workplace integration: Coaching on Canadian workplace behavior
- Referrals: Receive referrals to external recruitment agencies/programs/schools.

EPB NEWSLETTER DISTRIBUTION

If you are interested in receiving our EPB newsletter going forward automatically, please register at: ibpacanada.com.

CALLING ALL PROFESSIONALS

Are you interested in writing an article for the EPB Newsletter? Do you have a subject area that you're passionate about and want to share your expertise? If so, please email us at nationalepbcfl@gmail.com.

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