



Dollars & \$ENSE

What's happening in Our Community

December 2018

Please **HELP US WELCOME**

our new **Financial Specialists**

VICTOR MALLI, CFP® and **KRISTA HANSEN**

“There is a tremendous advantage to having one contact for all of your wealth management needs, an expert who is personally in touch with every detail of your family's financial affairs.”

As experts in insurance, investments, retirement, estate planning & tax strategies, Victor and Krista have answers to all the questions you'll ask, ...and even the ones you won't.

Let's get together for a complimentary second opinion of your financial plan.



Victor Malli, CFP®



Krista Hansen



Invest. Globally. Locally.

(250)-591-4077



**74th Annual General Meeting
May 14, 2019**

DIRECTOR NOMINATIONS

At the AGM to be held on May 14, 2019, the terms of 4 directors will need to be filled, three for a three year term, and one for a two year term.

All candidates seeking election to the Board of Directors must complete and submit a nominations package to the Nominations Committee **by the deadline of February 22, 2019**. Packages can be picked up at the Credit Union or downloaded from our website at www.ldcu.ca.

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Everything you wanted to know about Canada's Financial System

Established in 1934, the Bank of Canada is our nation's central bank. Led by a Governor who is elected by its Board of Directors, the Bank focuses on four key areas:

•**Currency:** Have you ever wondered just where the money in your purse or wallet comes from as in who designs, produces, distributes it, and who pulls worn bills from circulation? Yes, you guessed it: The Bank of Canada! Also, the Bank is responsible for implementing anti-counterfeiting technology, educating the public on how to

spot fake bills, and working with law enforcement to help deter counterfeiting.

•**Funds Management:** The Bank of Canada provides funds management services to both the Canadian Government as well as other clients, including banks and Credit Unions. For the Government, the Bank provides advice on public debt and foreign exchange reserves, along with treasury management services. For banks and Credit Unions, the Bank provides payment, clearing and settlement systems.

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Each member in good standing of the Ladysmith & District Credit Union who is 19 years of age or older, is entitled to sponsor the nomination of one candidate. According to our Credit Union Rules, a member in good standing is a member, who at the date on which good standing is determined:

- a) has purchased, paid for, and holds, the number of Membership Equity Shares required by the Rules;
- b) has been a member of the Credit Union for at least ninety (90) days;
- c) is not more than ninety (90) days delinquent in any obligation to the Credit Union; and
- d) has paid an annual membership fee as determined from time to time by the Directors, (if required).

Please note:

- 1. Where each member in joint tenancy individually holds sufficient Membership Equity Shares to meet membership requirements, (\$25 per separate member), both may nominate a candidate.
- 2. A member that is a legal entity and not an individual, (i.e. limited company, registered society, or other legal entity), may authorize in writing, one person, on its behalf, to exercise its right to nominate a candidate.
- 3. Credit Union members who are eligible to stand for election to the Board of Directors must qualify pursuant to the *Company Act, Financial Institutions Act, and the Credit Union Incorporation Act*. In addition, they must be a member in good standing for a period of 12 consecutive months, be a minimum of 19 years of age, and qualify subject to the Rules of the Ladysmith & District Credit Union.



Denine and Myf Plecas with a LDCU basket donation for the Locomotive #11 Restoration fundraiser (a Salmon BBQ on the Marina Dock on July 28, 2018)

LDCU was proud to donate sports equipment to the Forrest Memorial Tournament ➡



MORE than FREE SENIOR CHEQUING

What would you do with **MORE?**

Personal Finance - Money Tips for International Travel

When it comes to handling money on the road, you can boost your budget and reduce hassle by using local currency.

Everyone takes credit cards for granted at home, but be aware they can add additional costs to your trip and may not be accepted everywhere. The main concern with using credit cards in other currencies is the extra amount taken by the credit card companies for foreign exchange. The rate you pay at LDCU will probably be more reasonable than the one you pay to Visa or MasterCard. Cover your bases by carrying a widely accepted Visa or MasterCard, but be aware that Europe and Asia have been converting to the new smartcards that use chip-and-pin technology, and some places may require you to have this PIN number in order to use your card.

Ask us about your card charges for international transactions and let us help you find the best way to access and spend money abroad. It's also a good idea to notify us of your trip to prevent your credit cards being frozen for unusual activity.

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Bank of Canada continued from

•**Financial System:** The news has been full of stories about foreign banking systems teetering on the edge of insolvency or default. Canada has escaped this fate thanks to a number of factors, including the Bank of Canada's ability to promote a stable financial system. Tools that the Bank uses to maintain this stability include acting as a "lender of last resort," evaluating risks to financial steadiness, and providing solid direction and development of financial system policies.

•**Monetary Policy:** We've saved this final Bank of Canada function for last, because while the above-mentioned areas are very important and play a profound role in both British Columbia and Canada's overall financial picture, the Bank's monetary policy has the biggest impact on the topic that is concerning more and more people each day: interest rates.

The Bank of Canada and Interest Rates

The first thing to note is that many factors influence interest rates, including, as we've seen before, events well beyond our borders. With that being said, it's certainly true that the Bank of Canada does indeed influence interest rates through its inflation targets.

Technically speaking, inflation is an increase in prices, which reduces the purchasing value of money. Or in less technical terms: inflation makes the \$20 you have today worth less in the future, because you can't buy as much with that \$20. It also means that your employer, who may be paying you \$20/hour now, will need to pay you more than that in the future. And that's precisely what the Bank of Canada wants through its inflation targets: to gradually and safely raise the standard of living for Canadians. Once the Bank sets its target-control inflation range, it analyzes the economy to see if prices are pushing up beyond that range, or falling beneath it.

Cooling Down the Economy

When the Bank wants to reduce inflation, it moves to "cool down the economy" by raising the interest rate at which it lends out funds ("the overnight rate"). This rate hike compels banks and Credit Unions to raise their rates, which means higher interest rates on mortgages, credit cards, car loans, and more.

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LDCU donated all the teddy bears to LAFF's Annual Teddy Bear picnic



Little monsters enjoying the annual Ladysmith Parks and Rec Halloween Monster Bash sponsored by LDCU



Cindy Cawthra poses with Jim Stewart and Al Ramsay for the annual Brits on the Beach Car Show



LDCU is a proud supporter of Ecole North Oyster School Family Literacy Week

Money Tips ... continued from page 2

If you're travelling to Europe, purchases are best made in the local currency, which can be accessed from a local ATM on our Credit Union network. While much of Europe has adopted the euro, there are some significant holdouts including Switzerland and the U.K. where your purchasing power will be better in local francs and pounds.

If you're travelling to Asia, many places won't accept traveller's cheques or foreign credit cards. Those that do, charge high transaction fees. China is largely a cash economy but there are now enough foreign-card accepting ATMs that it is possible to arrive and solely use your bank card.

Ask us about currency conversion fees on ATM withdrawals, as some foreign banks will also add a fee of anywhere from \$2 to \$5. They may set low daily maximums on how much cash you can withdraw, so it makes sense to have several options for getting funds.

With so many differences between countries, it's wise to research your options specific to the place you are visiting. Come in and speak to us. We can help you determine how to get the most out of your dollar abroad, whether it's using traveller's cheques, credit cards, withdrawing money at an ATM or converting cash ahead of time.



CEO John de Leeuw presents April Marrington of Ladysmith Soup Kitchen a cheque for \$1000.



Megan Dougann presents Margaret Seymour a cheque for Stz'uminus War Canoe Race



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The logic behind all of this is that Canadians will spend less if it costs them more to borrow which will reduce spending, consumption and ultimately, inflation.

save. That's because the answer to that key question depends less on the Bank of Canada, and more on your unique goals and needs.

Heating Up the Economy

The opposite scenario unfolds when the Bank of Canada wants to increase inflation by "heating up the economy." That's when it reduces its lending rate, which allows banks and Credit Unions to lower their rates on mortgages, car loans, credit cards, and more.

At LDCU, we know that you want clear and practical answers to your financial planning questions. That's why we invite you to speak to us. We will help you "make sense" of interest rates and inflation, so that you can borrow and save wisely, whatever your stage of life.

The logic behind all of this is that Canadians will spend more if it's cheaper to borrow money – which will increase demand, consumption and, you guessed it, inflation.

Call us today at 250-245-2247, visit your branch, or connect with us online at www.LDCU.ca.

Should You Borrow or Should You Save?

While it's valuable to learn about the Bank of Canada and its monetary policies – one thing that this overview doesn't do is tell you whether this is the right time to borrow or



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