04 What can you invest in?

If you are ready to invest, there are different ways to do it.

This worksheet describes different types of plans and accounts you can open to invest from. It also describes some options for investment products. Choose what is best for you.

Where can you invest?
There are many places you can invest including a bank or credit union, online or through a financial advisor. Some people choose to directly buy and sell stocks and bonds through a stock trading platform that they set up with a bank or financial advisor.

Young salmon hatch and grow in fresh water rivers and streams. When they become adults, they move into the ocean. They return to freshwater to have their own young. Our savings and investments will also need to change and adapt over the course of our lives.

These worksheets were inspired by Indigenous financial wellness expert and artist Simon Brascoupé, co-creator of our Managing Your Money booklet.
Learn more about the inception of these resources and our commitment to reconciliation.

Investment plans and accounts

Registered savings plans and accounts

Registered savings accounts are given special status by the government. In them, you can hold different investment products.

Registered Disability Savings Plans (RDSPs)

Registered Disability Savings Plans (RDSPs) are a good choice if you are saving and investing for the long-term financial security of a person who is eligible for the disability tax credit (DTC). The government will add to your savings.

Registered Education Savings Plans (RESPs)

Registered Education Savings Plans (RESPs) offer government grants while you save and invest for a child's post-secondary education. The government will add to your savings.

Registered Retirement Savings Plans (RRSPs)

Registered Retirement Savings Plans (RRSPs) give you tax breaks while you are saving and investing for retirement. You pay tax on the money when you start to use it.

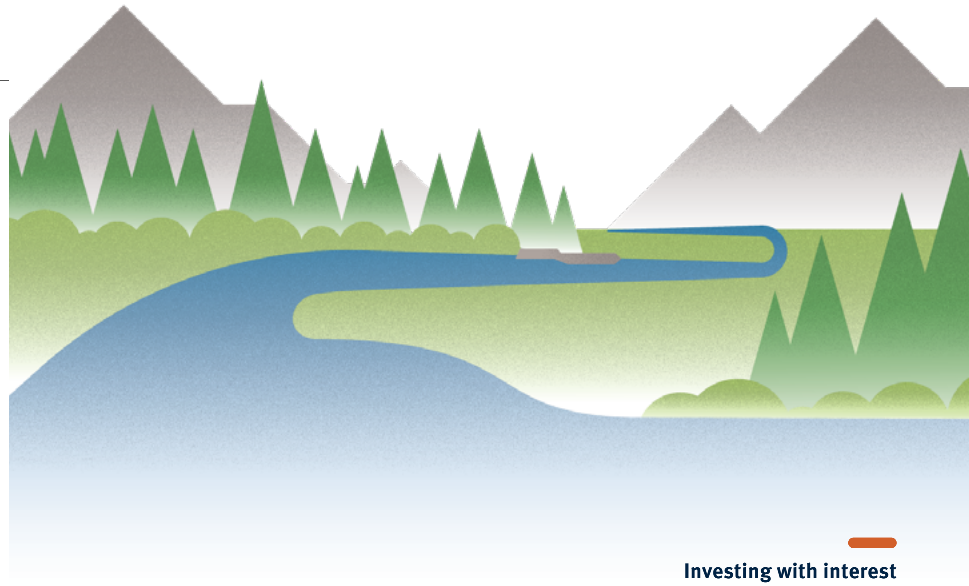
Tax-Free Savings Accounts (TFSAs)

Tax-Free Savings Accounts (TFSAs) allow you to save and invest a certain amount each year. You never have to pay tax on the money that you earn from interest or the gains you make from investing.

> You can also hold both a TFSA and RRSP account. Both have limits to how much you can contribute to them each year.

Even if you are not ready to buy an investment product just yet, there are still benefits to opening a registered savings account. Common options are a TFSA and RRSP. This chart compares their benefits:

A TFSA may be best for you if ...	An RRSP may be best for you if ...
• You are saving for a goal other than retirement. • You have a low income. • You pay no tax or very little income tax. • You expect to receive the Guaranteed Income Supplement (GIS) for low-income seniors when you turn 65.	• You are saving for a long-term retirement goal. • You have regular income. • You pay income tax. • You do not expect to receive the Guaranteed Income Supplement (GIS) for low-income seniors when you turn 65.



Investment products

Here are some examples of investment products you can choose from:

Guaranteed Income Certificate (GICs): These are also called term deposits at some credit unions. The money you put in is guaranteed, and the certificate grows by a set percentage.

Bonds: These are like an IOU, where you 'lend' your money to an institution, and they pay you interest while they are using it. These are usually lower risk than stocks but may offer lower returns.

Stocks: Owning a stock in a company means you own a very small piece of the company. How much the stock is worth changes based on how well the company is doing. The value of stocks can change very quickly. While you could make a lot, you could also lose a lot.

Funds: Instead of buying individual stocks or bonds, you can buy a fund. A fund usually includes lots of different stocks or bonds. This is a good way to make sure you don't 'put all your eggs in one basket'. This is called diversifying. Even if the value of one stock or bond goes down, others may go up. Common funds include mutual funds and Exchange Traded Funds (ETFs).

All of these products can be held within a registered savings plan. Imagine it as a "bucket" that can hold different investment products. For example, if you decide to open a Tax Free Savings Account, you can put stocks, bonds, ETFs, and GICs in that bucket. You can buy and sell investments or change the kind of investments you own within that bucket. If possible, it is good to diversify and have a variety of investments.

> Research the investment or discuss with your advisor before you invest. Some investment accounts and products may carry fees that may impact the amount you earn from your investment.