Are we experiencing a Covid-19 Baby Boom? And if so, how does that impact your financial planning?

We have noticed a bit of a surge in the number baby announcements among our clients and business associates recently and it's led me to wonder if we are seeing a baby boom.

With new family members comes the need to review your affairs to ensure all is in order. In addition to baby proofing your home and finding the best baby monitor, there is some important paperwork that should be addressed - some examples include:

- Updating Wills
- Appointment of Trustee/guardian
- Updating Beneficiary Designations

In addition, you may wish to explore options to start saving for your child's or grandchild's future. One very efficient way to plan for your child's financial future is the implementation of a **Participating Whole Life Insurance** plan. Whole Life insurance plans receive dividends that can be used to purchase additional life insurance, enhancing the total death benefit. The plans also have cash value that grows in a tax-sheltered environment and can be accessed by withdrawing funds or leveraging against the cash value.

The money inside a Whole Life plan can be used at a future date to assist with the costs of post secondary education, funding a gap year, purchasing a car, a down payment on a home or starting a business. Alternatively, the funds can be used later in life to supplement retirement income, provide funds to cover medical expenses or pass on wealth to their own children.

When your child reaches adulthood, the coverage can be transferred to the child without tax consequences.

There are a number of Whole life insurance options available in the market at this time but one that stands out with regard to flexibility is the ***Manulife PAR Participating Whole Life*** plan. This plan offers the option to satisfy the mortality costs over 10 years, 20 years or to age 90. If you chose a 20-year plan, it is guaranteed paid up in 20 years however, it is possible to optimize a whole life plan by making additional deposits so that the plan funded in as little as 7 or 12 years.

Securing coverage when a child is young has a number of advantages. Since premiums are linked to age at the time the contract is purchased, you can lock-in the lower premium costs. Securing coverage at a young age also helps avoid any possible loss of insurability due to changes in health, hobbies or lifestyle. But the most important reason to implement whole life plans while your children or grandchildren are young is that the longer the coverage is in force, the more time there is for the cash values and death benefit to grow … the simple principle of compound returns!

If you are interested in discussing Whole Life insurance in greater detail or making changes to your beneficiary designations, please contact Nicola Ferguson.

To all the new parents and grandparents, we want to say congratulations and we look forward to seeing photos of your new family members!