Bite-Size Finance

Investment Basics

25%

of Canadians who don't currently have investments say they don't know how to get started.[1]



The financial industry wants us to think we need a math or business degree to manage our money - that's not true. A good advisor helps, but choosing and reviewing investments doesn't have to be complicated.

Three questions to ask when choosing or reviewing investments:

Hands On or Hands Off?

Some of us love reading about investments, comparing data and staying up to speed on the markets - that's a hands-on approach. If that sounds like too much effort, or we just don't have the time or expertise, a more hands-off approach works better.

What's Our Time Frame?

How far away are we from needing this money? Saving for a long-term goal like retirement lets us be more aggressive with our choices. For short-term goals - a down payment, a renovation, a vehicle - it's better to be more conservative, and skip investing altogether if the timeframe is under 2-3 years.

What's Our Risk Tolerance?

Investment values rise and fall daily, just like gas prices. A big swing when markets get rocky can feel uncomfortable, even though we only gain or lose when we actually sell. The right investments won't scare us into selling when markets drop.



Ready to Choose?

Once we've figured out whether a 'hands on' or 'hands off' approach works best, our timeframe and our comfort with risk, we're ready to start choosing investments.

1. SIMA Pollara Survey of Canadian Investors, October 2025



A Closer Look: Choosing Investments

See page 1 for the stat behind why Canadians hesitate to invest.

Got a great money habit?

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Question	What to Consider	Why It Matters
Hands On or Hands Off?	Do we enjoy researching markets and tracking data, or would we rather not think about it day to day?	Shapes whether we manage investments ourselves or lean on a hands-off option.
What's Our Time Frame?	How long until you'll need the money - retirement, a home purchase, or another near-term goal?	Longer timelines can handle more risk; money needed within 2-3 years usually shouldn't be invested at all.
What's Our Risk Tolerance?	How would we react if our investment dropped in a bad month?	Picking investments we can stick with, even when markets dip, keeps us from selling at a loss.

Check Our Statement

Already investing in an RRSP, pension, TFSA or non-registered account? Pulling up our statement and confirming it still lines up with our goals and comfort level is worth doing.

A few minutes of review now can save a lot of second-guessing later.



Key Takeaway:

We don't need a math degree to invest well - just clarity on our approach, our timeframe and our comfort with risk.

This newsletter is for informational purposes only and does not constitute financial advice. For personalized guidance, consider speaking with a financial advisor.

Learn More

- **Article:** How to get started with investing
- **Video:** What's Your Risk Profile
- **Resource:** Investor Personality Quiz

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