

NEWS RELEASE

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A Tax-Deduction Alternative to RRSPs

Many Desperate for Tax Savings Beyond RRSPs

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"With RRSP season here, millions of Canadians are wondering about tax-deduction investment alternatives to RRSPs," says **Talbot Stevens**, financial educator and author of the **new bestselling booklet "Dispelling the Myths of Borrowing to Invest"**.

Mr. Stevens cites **many reasons** Canadians are seeking tax-saving alternatives beyond RRSPs.

- | Some investors have very little RRSP contribution room, or have already contributed the maximum.
- | Some disciplined savers are regretting building up so much in their RRSPs because of the huge tax bill they now face.
- | With the new tax changes, some investors want to take advantage of the low tax rate on capital gains, which is only possible outside of RRSPs.
- | A few are leery to build only registered savings and have all of their savings "visible" by the government.

Despite the increased popularity of leveraging, **many** Canadians are **still not aware that when you borrow to invest outside of RRSPs, the interest expense is generally tax-deductible** and produces the same tax savings as an RRSP contribution.

"Due partially to the recent tax changes, in many cases, the **responsible use of leverage will produce more after-tax retirement income than RRSPs**," explains Stevens.

In his new booklet, Stevens suggests that the best approach is to use conservative leverage as a **complement to RRSPs**, using a combination plan approach.

By using the refund from RRSPs to finance a small leveraged investment, you diversify by strategy and increase your commitment

to your retirement goal. In addition, you get a second-generation tax refund from the leveraging strategy, which can be spent "guilt-free", acknowledging that investors have to balance the need to enjoy today and tomorrow.

With the **use of margin accounts at record levels**, Talbot Stevens' **booklet is timely** for investors trying to understand when it makes sense to borrow outside of RRSPs, or to use a loan to catch-up on unused RRSP contribution room. With over 23,000 copies sold, *Dispelling the Myths of Borrowing to Invest* was a national bestseller before its publication date.

Talbot Stevens is a financial educator, speaker and author. For more information, visit www.TalbotStevens.com.