

# 1

## Embracing Your Single Status

Whether you've been single for years or are just embarking on your one-person journey, know that you're not alone. As this chapter lays out, singlehood in Canada is the fastest growing relationship status in the country. Sure, being single isn't always easy in a world that's mostly designed for families of two (or more), but have no fear, we can help you become a lot more confident with your money.

This book is not meant to reinvent the personal finance wheel, and you don't need to be a Rotman School of Management grad to understand it. If you know anything about money, you'll recognize a lot of what we talk about here. If you know nothing about dollars and cents, this book will be

a good primer, though consider picking up *Personal Finance For Canadians*, another Wiley book, to supplement your reading.

The difference between this book and other more general personal finance tomes is that a lot of financial concepts, such as saving in a registered retirement savings plan or buying life insurance, are written for couples and families. As a single person, your needs may be different. You might have different life and retirement goals and should have different tax and savings strategies than those of a couple.

The single life is also different depending on how you came to live alone. Have you been single your entire life? Did you recently get divorced? Did your spouse pass away? While all these paths lead to the same relationship status, each has its own financial challenges.

Whether you've been single for years or are just embarking on your one-person journey, know that you're not alone. As this chapter lays out, singlehood in Canada is the fastest growing relationship status in the country.

---

## The Single Household Takeover

According to the 2016 census (the last time these numbers were calculated) 28.2 percent of Canadian households were considered one-person households. That's more than any other

type of arrangement, including couples with children, which accounted for 26.5 percent of households.

Another interesting, though not entirely surprising, finding: More women than men live alone, with the former accounting for 53.7 percent of one-person households in 2016. Senior women are also more likely to live alone than older men.

People are single for plenty of reasons, but here are a few:

- Society has become much more accepting of different kinds of relationships and household arrangements.
- More women are working and therefore more financially self-sufficient than they were decades ago.
- With no-fault divorce, introduced in Canada in 1986, you don't need a reason to break up. That's made it easier for couples to separate.
- Women still live longer than men — 83.9 years versus 79.8 years.

If you still need some convincing that single status is all the rage, take a look at these 2021 figures from Statistics Canada:

- 38,246,108 people are living in Canada, including 6,018,084 children.
- 39 percent of the population identify as single.
- 5.24 percent of the population are classified as widowed.
- 7.16 percent say they are divorced.

## Living Life on Your Own Terms

For many people, being single means starting over. They have to come up with new dreams and rethink the way they live, where they live, and who they want to spend the rest of their life with. Many people will be thrilled to be alone — they could be getting a new lease on life, especially if they've been in a difficult relationship. Others will be devastated, particularly after a loved one passes away or a sudden separation.

Newfound singledom tends to come with all kinds of emotions — pain, confusion, sadness, joy, and other more nuanced feelings. It's important to understand and work through these emotions because they can make it difficult to move forward financially and can negatively affect your decision making. Dealing with what's on your mind is a key part of handling what's in your wallet.

---

## Facing Financial Realities

Generally, two incomes are better than one. If you're making \$150,000 and your spouse is making \$100,000, you have \$250,000 to spend between the two of you. That can get you a bigger house, a more luxurious vacation, and a larger collective nest egg. And living with a partner has tax and investment benefits too.

Single people often end up paying more for things, such as gym memberships, which offer discounts for spouses, and cell phone plans, which usually come with a family plan. One U.K. study found that all these extra expenses total £2,000, which is about \$3,300 Canadian.

But while some things are pricier, you can still become more financial independent when you're on your own. How, you ask? In many cases, one spouse spends more than the other — if you're the frugal partner in a divorce, you may now find it easier to save. If you've always been single? Well, you're already used to doing whatever you want with your money.

## Staying with the single life

In some ways, it's easier financially if you've always been single. You will have had to manage your money from the start, figure out how to budget for one, and navigate everything from taxes, insurance, and investing by yourself.

However, this doesn't mean you can't do a better job with your finances. In fact, many single people continue to save and spend in their 40s the same way they did in their 20s. If you don't have children putting pressure on your wallet or a spouse or partner to consider in your money plans, it's easy to continue doing the same thing year after year.

But as you get older, your life will likely be more complicated financially. You should start thinking about ways to save for retirement. If you're a homeowner, you need to put aside

enough for inevitable house repairs and property taxes. Maybe you want to start your own business. Also consider who you might want to spend your golden years with, whether those people are close friends or other family members. None of this is difficult to figure out, especially if you're accustomed to being on your own; it can even be fun to think about how you want to spend your money in the future.

## Starting again after a separation

Divorce can be extremely difficult but also freeing, depending on what kind of relationship you're leaving. Still, no matter how you feel about your partner, separating from a spouse is a major life event that will likely affect your finances.

The biggest financial change with divorce is that you're now going from two incomes to one — or one income to none. You might have to find paid work after years of not being in the workforce. Or if you earn less than your ex-spouse, you might need to find other sources of income to maintain a certain lifestyle, especially if you aren't getting spousal or child support.

Divorce can be messy and complicated, and it can make your money messy and complicated, too. There may be lawyers to pay, joint accounts to close, new solo accounts to open, wills to update, insurance beneficiaries to change, and so on.

But divorce is also a time for renewal — you're starting your life over again but this time on your own terms. You,

and only you, can decide where to spend your money, what investments to purchase, who to spend time with, and where to travel. As we explain in more detail in Chapter 6, you'll have a lot of work to do to set up your new financial life, including dividing assets and figuring out how to potentially live on less. But with some budgeting and financial planning, you can not only sort out these money issues but also end up in a better financial place.

## Building back when bereaved

Out of all the ways to find yourself single, death is probably the toughest to deal with emotionally but could be the easiest to handle financially. If your spouse took out a life insurance policy, that payment could give you some time to get back on your feet.

You would also be entitled to their investments, such as their RRSP or TFSA, potentially part of their pension, and even some of their Canada Pension Plan (CPP) payments. Depending on those amounts and your age, you could be well taken care of for a long time to come.

However, you still have plenty of financial issues to think about. For instance, there could be taxes to pay on your partner's income if they were still working at the time of their death or on investments that don't roll over to a spouse tax-free, such as stocks held in a non-registered account. Maybe you decide you don't need as much room and choose to sell

your home. You might need to close accounts and open other ones, figure out how to pay the bills on your own, and start thinking about how best to save for retirement.

As mentioned, the emotions that come with a loss are the hardest part about bereavement. The last thing most people want to do is sort out life insurance policies, open bank accounts, or figure out how to budget— it's hard enough to get up every day. While you should take the time you need to grieve, wait too long and you could find yourself veering far off your financial path. You may have to find a way to deal with your money and your mind in tandem, which is where financial professionals can help. Spend time sorting out your finances and you'll have one less thing to worry about.

---

## Gaining Confidence in Managing Your Money

Financial success comes down to confidence. If you know what you're doing, you'll feel better about the moves you'll need to make, whether it's splurging on a big-ticket item, deciding what investment accounts to use first, or figuring out how much to earn to make a one-income household work.

The only way to get that confidence is through education. Reading this book will certainly help — we cover a lot of core personal finance topics and also dig deeper into everything

from investing to real estate to debt. In addition, we suggest the following for future reading:

- **MoneySense** ([www.moneysense.ca](http://www.moneysense.ca)): This site has long been the go-to source for Canadian personal finance. (Bryan got his start here, so it must be good.) MoneySense covers everything, including investing, insurance, home ownership, smart spending, and retirement. It should have answers to most of your burning money questions.
- **Globe and Mail, “Personal Finance” section** ([www.theglobeandmail.com/investing/personal-finance/](http://www.theglobeandmail.com/investing/personal-finance/)): The Globe and Mail’s “Personal Finance” section is not only full of useful financial information but also has a lot of great columnists opining on everything from housing to financial advice. At the time of this writing, Canada’s newspaper of record was beefing up its personal finance content.
- **Squakfox** ([www.squakfox.com/blog](http://www.squakfox.com/blog)): Kerry K. Taylor creates easy-to-consume personal finance content on this site. The journalist (and lovely human being if we do say so ourselves) offers a ton of practical advice on all kinds of topics, such as food waste, getting paid what you’re worth, and reining in spending.
- **The Budgette** (<https://budgette.substack.com>): This blog, created by Canadian journalist Renee Sylvestre-Williams, is focused on personal finance for

single people. Renee, who posts about twice a month, covers all sorts of issues, such as taxes, investing, and why it feels so good to spend.

- **Investopedia** ([www.investopedia.com](http://www.investopedia.com)): If there were such a thing as a personal finance bible, it would be Investopedia. This company, which got its start in Edmonton but is now based in New York, has articles on everything you could ever want to know about personal finance. See a finance term that you don't understand? Search for it on Investopedia, where you'll get an easy-to-understand definition. Keep this site handy as you get further along on your financial journey.
- **Young & Thrifty** ([www.youngandthrifty.ca](http://www.youngandthrifty.ca)): This site has a lot of great personal finance information as well as articles on the topics younger Canadians care about. Read reviews on robo-advisors, get ideas on which credit cards are best, learn about tax return software, and more.



Financial education is the best path to financial freedom. The more confident you are, the easier it will be to navigate the single life.

No matter what you're doing with your life, you need money — and probably more and more of it — to do whatever

it is you want to do. That's why it's important to develop a deeper understanding of financial issues. To that end, we show you how to determine your net worth (Chapter 2), find an advisor (Chapter 3), and create a budget (Chapter 4). Then we get into some of the more nitty-gritty areas of finance in later chapters.

