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# Retirement planning should be an ongoing process

**W**hen is the best time to plan for retirement? This is a question that has come up quite often lately.

Planning is, however, more of an ongoing process than a single one-time event. Yes, there is the initial plan, but that should be followed by continuous planning.

It should generally be done at least yearly, although it would not be uncommon to plan more often. Especially if you are making any changes such as deciding when to retire, whether to work part-time or selling your residence.

Retirement planning has several characteristics, which should be a guide to how the planning process works.

Retirement can extend over a very long time. The conventional age of retirement is 65 and the average life can be into your 80s. These days, many retire at a younger age so the retirement period is longer.

Dollars & Sense

**Peter Watson**  
Guest Contributor



Planning for a life expectancy well into your 90s makes sense for a couple of reasons.

The first is planning for the average life expectancy is dangerous. The average person who already has reached the age of retirement will live into their 80s. While that is the average, some live fewer years and some live more years.

Second, Statistics Canada data shows a person at retirement who outlives 90 per cent of their age group will live a very long life — men will live to age 91 and women to age 96.

Retirement can last for 20-30 years. This is a long period of time where you will be spending money long after your regular employment income has stopped. In that context, planning should be done early and often.

People often begin paying attention to retirement around age 50. Should someone already retired plan for retirement? Absolutely.

A 70-year-old could still live for several decades so planning is critical.

Retirement planning is all about cash flow, which delivers the desired lifestyle. Understanding where that cash flow comes from is the starting point. Generally retirement cash flow is a combination of money from the government, including Canada Pension Plan and Old Age Security. Some retirees also have pensions.

The balance of cash flow comes from personal investments and, or money from the sale of the family home.

At a minimum, the planning process should include an annual cash flow projection from the sources of your cash flow for the balance of your life.

An estimate of your personal savings will also need to be done to determine if your money will last as long as you hope to live.

Every year there is change. You spend more or less and your investments might fluctuate in value as a result of market swings. The annual cash flow projections account for all changes and are an excellent way of assuring yourself your desired lifestyle will be maintained.

It is our recommendation that planning for retirement be considered a process. Start early and do it annually regardless of when you start to plan. That way you ensure your desired lifestyle will continue to be affordable.

— Submitted by Peter Watson, MBA, CFP, R.F.P., CIM, FCSI., Certified Financial Planner

## Tim Hudak's education agenda: Cuts first. Kids last.



**Tim Hudak's Conservatives say they will cut 19,000 teachers, education assistants, custodians, and other school staff.**

It's really kids who will pay the price.

- less individual attention for every child
- less support for students with special needs
- cuts to vital programs kids count on

We can't afford to relive the Mike Harris years of cuts, overcrowded classrooms, and chaos. The cost to Ontario's future is too high.

**On June 12th**  
**don't let Tim Hudak's**  
**Conservative cuts hurt**  
**your child's chances.**

Authorized by the Elementary Teachers' Federation of Ontario