

# Realistic goals needed for retirement planning

**BY JAMIE HARRISON**  
**The Georgetown Gemini**  
 With retirement looming not too far off in the distance, many boomers are discovering that the dream of retiring

at 55 may be just that unless some drastic steps are taken today.  
 Susan Holden, District Manager for Royal Mutual Funds, was on hand last

Wednesday night at the North Halton Golf and Country Club to speak about smart investing, and how to make your money work for you.  
 "What we are going to talk

about are the steps it is going to take toward a successful retirement," Holden said. "It takes planning to meet these great expectations."

Holden noted that the average Canadian spends about five hours per year making retirement provisions.

Holden said customers are saying that they want to retire at 55 years of age, a full decade sooner than the previous generation. With life spans increasing, it is possible to spend 30 years or more as a retired person.

To maintain a standard of living equal to that of when they were working, retirees are going to have to save 70 per cent of their current income.

Yet only 34 per cent of customers said they were planning on making an RRSP contribution this year.

With 1997 came changes to retirement planning, as the government changed some of the rules surrounding what consumers are allowed to do.

Starting this year, the dollar limit has been decreased to \$13,500, with administration fees no longer deductible on self-directed funds. Furthermore, RRSPs must be matured by age 69, and the carry forward limitations have been removed.

Holden suggests that planning a successful retirement requires that people set goals, diversify funds and have patience when it comes to temporary market fluctuations.

It is that last point, Holden points out, that often gets investors in trouble.

Those who engage in market timing have to be right 90 per cent of the time to make up for second-guessing what can't be controlled.

"When you look at the overall picture, this is a very attractive time to invest,"

Holden told the 50 people gathered in the banquet room. "The average US investor has lost money despite the fact that the stock market is up over 300 per cent.

"Markets grow; that's what they do," Holden said.

To reduce the risk of taking a loss on investments when stocks do slide, Holden suggests spreading investments around by diversification.

"Don't put all of your eggs in one basket - spread your money around."



**ON SECOND THOUGHT:** Members of the Second City touring company will be performing at The John Elliot Theatre Feb. 8. The company has spawned such notable comedians as Catharine O'Hara, Rick Moranis, Andrea Martin, John Belushi and the late John Candy. (photo submitted)

## Correction

An item appeared in the Jan. 15 edition of The Gemini under the headline, Call to Faith. The item said that an

Ecumenical service was to be held at St. Alban's Church last Sunday. The service was held at St. Andrew's Church.

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