



## Empty Nests and New Beginnings

It appears that while many Canadians faithfully invest funds into their workplace retirement plans they are somewhat lackadaisical when it comes to determining their retirement needs as well as measuring their progress towards those needs.

In a survey conducted by Ipsos Reid in November 2010, it was found that 44 percent of those who invest in a company-sponsored pension plan are not aware of what their income will be upon retirement while 41 percent do not know how their current holdings compare to that target.

### Manage Your Personal Economy

The survey results are somewhat understandable considering the stress we encounter from a slow-growth economy, stagnant employment, job losses, rising prices, and government debt levels. Who has time to get into the details of their retirement planning that is 20, 30, or 40 years away when this uncertainty is swirling all around us? But this uncertainty shouldn't drag us away from executing a rock solid retirement plan; it should motivate us to do everything in our power to ensure our self-sufficiency throughout the balance of our lives.

There is little one person can do to alter the global or even domestic economy but you can plan and take actionable steps towards your personal economy. In fact, if everyone managed their personal economy better, the domestic and global economy would likely resolve itself. To accomplish this, however, you must know your current financial position in regards to retirement and the actions you need to take in order to reach your retirement income goals.

### Our Old Friend, Procrastination

If one reads between the lines of the survey it becomes apparent that procrastination plays a large role when it comes to retirement planning. The survey found that Canadians 55 years of age and older displayed a greater interest in their retirement planning than younger Canadians. They were aware of their retirement needs, were tracking their progress, and enlisted the aid of a financial planner to help them reach their goals.

This is not surprising as concern for retirement rises the closer you get to it but imagine sitting in front of a financial planner at age 55 and discovering that you're nowhere close to having the necessary funds. That you're going to have to sock away most of your income during your remaining working life just to make ends meet. Or that you're going to have to take a part time job in your senior years to pay the bills. That doesn't seem like a just reward for all of your years of hard work.

Many survey respondents claimed that the reason for not paying attention to their investments was the inability to understand their statements (36%) or that it was presented in an unengaging manner (24%). Additionally, respondents claimed that company pension plans were lax in providing investment advice (72%). But only 31% of respondents reported seeking outside assistance from a financial advisor to rectify these deficiencies.

With rising government debt levels and the aging baby boom generation, our government's ability to fully fund OAS and other various entitlement programs twenty or thirty years down the road could become a serious problem. Your retirement is in your hands. A financial advisor can develop a pain-free retirement plan to ensure you aren't caught short.

**Questions about retirement planning? Contact our office!**

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