



FINANCIAL WISDOM

- WEALTH MANAGER -

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Maximizing Your Retirement

Bob and Lisa are wondering just how their retirement will turn out. After all that's happened over the past few years, their RRSP accounts haven't grown as much as they had expected. Even in the best of times, they weren't saving as much as they could have been, at least for all their post-retirement desires.

The good news is that this is not a black-and-white topic. If you fail to save as much money as you want, then it just means that you'll have a little less and life will go on. It doesn't automatically turn your retirement into a disaster. **Bob & Lisa are learning they just need to learn to live within some new boundaries.**

Ellen retired a few years ago. Low interest rates limited what she would receive from her GIC and other low risk investments. Despite this, she counts herself lucky as her house is paid for. Ellen is relieved to have left the intensity of the consumer culture.

Still, she is surprised how little difference there really has been in her life despite the scrimping. Instead of buying books, Ellen uses the public library. The health club membership is replaced by the municipal recreation center. Jobs for which Ellen used to automatically call in a professional, now become 'do-it-yourself' projects.

To stretch out their retirement dollars, Stan & Stacy find they are eating at home more than they used to. They realized restaurants were a big drain on their resources. Skipping exotic vacations and camping and hiking instead is not altogether a bad thing. There are numerous health benefits to staying active during retirement years.

For those having difficulty meeting retirement income goals, there might also be the option of **tapping into the equity of a home**, either by a line of credit or by taking a **reverse mortgage**. The credit line is more flexible and easier to change if the next big step at saving money is taken by 'down-sizing' the lifestyle.

Downsizing a home is always an option, and many people do this once the family has left. If you're moving anyway, you might consider going to a lower cost town, province or country. South American countries have appealed to many, but this sort of decision should not be made just on the basis of economics. Consider the effects of being away from family might have. Health care is another issue that needs to be addressed.

There are many ways to make your money go further in retirement, and most of them are better than the alternative offered in the cartoon where the man tells his wife: *"If we take a late retirement and an early death, we'll just squeak by."*

Questions about your retirement strategy? Be sure to contact us!

Larry Matthews

Percentage Plus Financial Group - Investia Financial Services Inc. (Mutual Fund Dealer)

Ph: 905.455.6050 - <https://www.larrymatthews.ca> - <mailto:info@larrymatthews.ca>