

# Dream Big in Retirement

Got one thing  
you need to do  
in retirement?  
Here are some  
inspirational  
ideas — and  
ways to ensure  
you get there.



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you by



**A**fter years of work, a sudden thought occurs to us: retirement may be years away but it *will happen*. Even if it's decades from now, we all think, 'what's the one thing I still have to do?'

Whether it's a trip around the world, building a log home or making a

**Saving five bucks every work day will give you more than \$20,000 over 20 years**

SANDRA BUSSEY,  
TD Wealth

thoughtful gift of money for a grandchild's education, everyone has something they've been dwelling on for years; the one dream trip we must experience, or the one thing we have always wanted to do. These might be pipe dreams or they may be realistic goals. It all depends on how serious you are about saving, planning and managing your money.

**A saving strategy**

Sandra Bussey, TD Wealth, says that planning is the key to make your retirement dream happen.



**2 grandparents, 3 grandchildren and unlimited fun**

- 2-week accommodations at the midrange Boardwalk Inn
- 'Trip hopper' all-park pass
- Meals: Disney Deluxe Dining Plan
- Park Extras: waterpark entry, Memory-Maker photos, plus six midrange activities
- Airfare: Business class from Toronto

**Total Cost Today**  
**\$25,250**

**Annual savings until 65:**

If you are **30, save \$725<sup>1</sup>**

If you are **40, save \$1,030**

If you are **50, save \$1,830**



<sup>1</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.75% after tax, compounded, when saving begins at age 30 and 40, 3.0% when saving begins at age 50. Pricing, except airfare, based on tour offered by Walt Disney World, prices as of May 31, 2016, subject to change.



**7-day trip to the island of 10,000 shrines for 2**

- 7 days of Balinese culture, art, magic, relaxation and self-discovery
- Excursions: beaches, mountains, jungles and towns to see temples, processions, festivals and markets
- Exclusive tour: the Besakih Temple, situated on the slopes of the volcano, Mount Agung
- 6 nights accommodation at the Komaneka hotel in Ubad, one of Bali's major arts centres
- Airfare: Business class from Toronto

**Total Cost Today**  
**\$23,000**

**Annual savings until 65:**

If you are **30, save \$660<sup>2</sup>**

If you are **40, save \$950**

If you are **50, save \$1,670**



She says first of all, you must begin planning and saving as early as possible. Nothing would be more disappointing than finding out a year or two away from retirement that you won't be able to live your retirement dream because you did not save enough money. Starting early means that even if you are saving small amounts, over time, it will add up.

Next, you need a solid strategy. For instance, find out as accurately as possible what the total cost of your dream plan will be and when you will undertake it. Take that figure and don't forget to factor in inflation every year to estimate what the real price will be when you want to retire. Then, start saving.

Of course people may have to adjust their spending lifestyle to meet their objective. "Everyone can save a few bucks here and there — skip the premium coffee and bring your own in a thermos: saving five bucks every work day will give you more than \$20,000 over 20 years," says Bussey.

<sup>2</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.5% compounded until age 50, 3.0% after age 50. Pricing based on trip, except airfare, based on tour offered by Spirit Quest Tours, prices as of May 31, 2016, subject to change.

**Save it and forget it**

Bussey suggests two techniques to make saving more efficient. First, use automatic withdrawals so you don't see the money and aren't tempted to spend it. Secondly, put the money into a tax-efficient RRSP. Besides the obvious tax-efficient benefits, people are generally far more reluctant to remove money from a 'registered' account than a regular savings account.

"I think what you'll find is that once stuff comes off the top automatically, you don't realize it's going to your savings and it's accumulating," she says.

**The new investing reality**

The next step in your plan is to make the money you've been saving work for you by investing it. In 1981, interest rates peaked at 21 per cent. Today, you will get low single digit returns on your money if you leave it in a savings account. In order to generate a better return, you may have to invest your money elsewhere. Meet with a financial professional to discuss what types of investments may give you higher returns, and — more importantly — how much risk



**11 days of relaxed indulgence in the south of France for 2**

- 11 days of wine tasting, farm fresh food and meandering through the French countryside
- Visits: medieval city of Bordeaux, and Jarnac for cognac-tasting at the Courvoisier distillery
- Indulge in decadent artisan food offerings and see Roman ruins and old cathedrals
- 4 three-course meals a day, plus four wine tastings to sample vintages from various local regions
- Airfare: Business class from Toronto

**Total Cost Today**  
**\$15,000**

**Annual savings until 65:**

If you are **30, save \$430<sup>3</sup>**

If you are **40, save \$620**

If you are **50, save \$1,075**



<sup>3</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.75% after tax, compounded, when saving begins at age 30 and 40, 3.0% when saving begins at age 50. Pricing, except airfare, based on tour offered by Go Ahead Tours, prices as of May 31, 2016, subject to change.



# Baseball Road Trip

**13 stadiums, 11 cities  
in 21 days for 2**

- Do-it-yourself road trip to hit 13 baseball stadiums including historic Wrigley Field and Fenway Park
- Three weeks of daily baseball, driving between games, seeing sights and attractions
- Include minor league games on your itinerary to see up-and-coming stars and quaint baseball parks
- Meals, tickets, gas, hotel for two = \$400 a day

**Total Cost Today  
\$8,400**

**Annual savings until 65:**

If you are  
**30, save  
\$245<sup>4</sup>**

If you are  
**40, save  
\$350**

If you are  
**50, save  
\$620**



is appropriate for YOU. If you've already been planning and saving for retirement for years, it's still important to check in with your planner at your annual progress review to ensure you are on track. Since the economy and markets are always changing, your investment plans may also have to be modified to reflect new circumstances.

### **A professional planner can help**

Depending on how much risk you take on, Bussey says that a financial planner will gauge whether GICs, stocks, mutual funds, bonds, or other investments would be suitable for your needs.

"If somebody has always been in GICs, investing in the stock market, which tends to be more volatile, may keep them up at night," she says.

To manage risk, a financial professional may help you decide how much money would go into different kinds of investments, to ensure you're well-diversified. Putting all your eggs in one basket is not recommended. It is important to spread your investments

<sup>4</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.5% compounded until age 50, 3.0% after age 50. Prices vary by stadium and accommodation and are subject to change. Gas prices subject to change.

out to minimize the risk and maximize the returns.

Different investments come with difference costs. Make sure you understand what they are and how they may affect your return on investment.

The type of investments and how much to put in them may change depending on your age and your investment horizon — in this case, your retirement. When you are decades away from your retirement goal, you may be able to take more risk (for instance, own more stocks than Canadian government bonds) since you have time to make the money back if the market goes down. However, the closer you get to retirement, the less risk you are likely to take since there is less time to make money back should there be a downturn in the stock market. In this case, you may wish to hold investments that are less volatile.

Bussey says it's dangerous for people to react emotionally when they see their portfolio's balance rise or fall every month. Many make the mistake of selling their investments at the first



**A gift of money for**

**A donation from the heart**

- Pass on a gift that represents your values, either after retirement or at the time of your passing
- Options include personally-named foundation, an annuity or a trust
- Professionally-managed relationship with your charity or cause
- Tax strategy to ensure your funds have the most impact

**Total Cost Today**

**\$100,000**

**Annual savings until 65:**

If you are **30, save \$1,430**<sup>5</sup>

If you are **40, save \$2,490**

If you are **50, save \$5,380**



<sup>5</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.5% compounded until age 50, 3.0% after age 50.



**120 days of chasing the sun to the endless horizon for 2**

- 120-day cruise on Cunard's 16-deck Queen Elizabeth, visiting numerous locales
- 11 restaurants, diverse nightly entertainment and dancing, swimming pools
- High-deck balcony stateroom with view (US\$44,399), satellite TV
- Breakfast, lunch and dinner included at Britannia restaurant, snacks available 24 hours a day
- Airfare: Business class from Toronto

**Total Cost Today**  
**\$122,000**

**Annual savings until 65:**

<p>If you are <b>30, save</b> <b>\$3,490<sup>6</sup></b></p>	<p>If you are <b>40, save</b> <b>\$5,000</b></p>	<p>If you are <b>50, save</b> <b>\$8,820</b></p>
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sign of trouble, or double-downing on winning investments, only to end up either missing the price recovery or losing money because the double-down didn't work out. She says people should be patient. Successful investing doesn't happen in one day or one year.

**Focus on the long game**

"Retirement dreams are a long-term goal. This is not something you are saving for over two years. In some cases, it's a 35-year process. So recognize you're in for the long haul. There will be ups. There will be downs. Stick to your plan," she says.

Once you see funds accumulating, you'll be more motivated to save. And if you have to adjust your dream goal to something within your budget, no problem, there is a world of adventures out there.

And if you need inspiration, these pages show some great ideas to spur you on — and the costs you need to set your goals.

—Don Sutton, *MoneyTalk Life*

<sup>6</sup>All figures in Canadian dollars. Savings estimates assumptions: 2% annual inflation, Foreign exchange (1 USD = 1.25 CAD), Rate of Return = 3.5% compounded until age 50, 3.0% after age 50. Pricing, except airfare, based on tour offered by Cunard Line, prices as of May 31, 2016. Prices, tour itinerary and dates subject to change.

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