

5 tips for financial success in later life

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The things you need to do to build your finances which can support your wants and goals are simple. Sometimes doing them isn't so simple. For most people, this becomes a matter of choice. Practice makes it easier. Here are some tips to build lifestyle success for your future you.

1. Have a plan.

Does having a written plan mean you will miraculously have more money? It does reduce stress since you have a roadmap to guide you. How else will you know that you're on track; that you will be okay? Following through on your plan builds confidence and competence. It may even improve your happiness and sense of accomplishment. Consider the age old observation that most people spend more time planning their next vacation than planning for retirement. An Employee Benefit Research Institute's Retirement Confidence Survey conducted in 2015 found that to be true

The harsh reality is that if you don't put in the consistent effort to write down, follow and review your plan for retirement, your plans in retirement will be a lot simpler and less fulfilling. You may not be able to afford to do the things you want to do or in the way you want to do them. In the end, those people that have written plans that they follow, review and stress test, do tend to be better off financially and emotionally.

2. Reduce your debt.

Debt used to be a four-letter word. Now it's just a word. One challenge with carrying debt is that the cost of the things and experiences you buy can be much higher than the price you paid. The money you spend on interest expenses could be working for you, building your nest egg and giving you some peace of mind today and through all your tomorrows.

Okay, most people have some debt. Make sure yours is manageable and that you have an end goal to retire it before you are retired.

3. Have long-term savings.

The Employee Benefit Research Institute's Retirement Confidence Survey 2015 found that two-thirds of workers reported that they or their spouses/partners have saved for retirement. The next finding ties into the first step, having a plan. More than one-third of workers who have a retirement plan on their own or through their spouse have saved at least \$100,000. Compare that to only 3% of those who do not have a retirement plan.

Participate in a company plan if one is available. Take full advantage of a Tax Free Savings Account and a Registered Retirement Savings Plan. Optimize any opportunity to save money in a company savings program where the company matches contributions. Now leave the money there to grow for the long-term.

4. Practice saving money

Half of the working population say they aren't saving or saving enough for retirement. 70% will go on to say that they could save \$25 a week or more than they currently do.¹ One key to making this tip work for you is to pay yourself first. Practice builds habits. You can build on habits now and save even more later.

5. Set realistic expectations.

I refer to this a lot. It's key to being more content all the way through life. And I don't mean lowering your standards or not dreaming big. It is about setting goals that may be a stretch and are achievable. This can help build confidence in your ability to save, invest and accumulate money for the near term like a holiday, the medium term, like a car or house and the long-term so that you can live comfortably when you get older.

If you can't imagine what it will be like to be 60, 70, 80 years old or more, try thinking about what it will be like to be that age without any money.

You may well need a lot less money to be comfortable in retirement than what you often hear. Some of that has to do with spending during retirement. It's not what you're generally told.

If all of this still seems a little daunting, get some help from an accredited advisor. Get professional outside help anyway, to stress test your plans and explore all options.

¹Source: Employee Benefit Research Institute's Retirement Confidence Survey 2015

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