



Financial Planning for Retirement

Or How Soon Can I Retire?

A Two Part Lunch and Learn Presentation Offered Once Per Year

Aimed towards those in their mid-career stage (late 30's – early 50's, generally more than 10 years away from retirement)

This will provide some of the financial planning knowledge needed to reinforce the importance of planning now for retirement.

Day One

Part One:

Where am I now?

Discussion and examples about Net Worth and Cash Flow

- Assets - what you own
- Liabilities - what you owe
- Income - what you earn (and take home after tax)
- Expenses - what you spend
- Debt Reduction - paying off past financial decisions
- Savings - accumulating for future goals

Part Two:

Where do I want to be?

Discussion about competing goals

- Current spending vs. debt reduction
- Children's education vs. retirement

Defining the retirement goal

- When do you want to retire?
- How much do you want to spend?
- How much do you want to leave as an estate?

DAY TWO

Part Three:

What Are My Sources of Income in Retirement?

Discussion about pensions

- How much will you get?
- When do they start?
- CPP, OAS, PSPP/UAPP

How Much More Do I Need to Accumulate?

Discussion about spending now vs. spending in retirement

- Changes before retirement
- Changes at retirement

Discussion about pre-tax income and after-tax spending

- Average tax rates in retirement
- Setting the target

Determining the shortfall

- Pension income minus desired income

Part Four:

How Do I Make Up the Shortfall?

Save money

- Forced savings vs. voluntary savings

Reduce taxes

- RRSPs vs. TFSAs

Get a better investment return

- Time value of money
- Risk vs. return
- Stocks vs. bonds (GICs) vs. real estate
- Mutual funds vs. exchange traded funds vs. do it yourself