

May is almost here and the sun feels a bit warmer each day!

I want to start this communication mentioning that you will be receiving your quarterly March 31st statements shortly either electronically or in the mail. Please remember that these are prepared as of a specific date mandated by the regulators and that they are often only a reflection of the quarterly activity in your investments. The markets were high December 31, 2019 and in most cases have dropped as of March 31, 2020 so with this short-term view, your results will be lower. Markets have increased overall since this date.

I want you to remember 2 items when you receive your statements:

- 1 – Your goals are long term and this short term window of 3 months is not a true reflection of your goals.
- 2 – The price on March 31 was only your price if you bought or sold on that day.

Investia has a very user friendly client portal that you can access and is updated daily. There is a lot of information available there so please reach out to Brenda to get your access set up if you would like. If you have any concerns or questions regarding your unique portfolio and goals, please reach out to me via email or phone to discuss them; that is what I am here for!

Now, for this weeks' communication I would like to address how we determine a retirement plan and once there, how to stay on track. I realize for many of you, retirement is just one part of your financial plan and I will likely address some of those other areas either personally with you or in a future communication.

What do we need to know to determine a retirement plan? The first items are **when** and **how much**. 'When' may be determined by a company pension plan retirement date or your own personal date and is often a range, say age 55- 60. 'How much' is an after-tax estimate of the income you will want to receive at that time. You need to know what your current cash flow expenses are now and determine how much income you will need and want at that time. I usually assume the debt will be paid off and the kids will no longer need your financial support (ok maybe a pipe dream but a good starting point). This helps determine how much you need to invest. Interested in revisiting your plan or starting one? Contact me now.

Currently in semi-retirement or retired? The financial plan we prepared previously should be the basis of this review. How did the dates and amounts match your reality? We can review your current situation and make appropriate changes. It is quite interesting that a big part of my conversations with many of those retired has been that they are not spending enough. I know that sounds odd but after the many years of saving and managing your expenses so well, often clients have a hard time turning on the spending tap and enjoying this time. Giving yourself permission to relax and enjoy these days is important.

How to keep on track at this time of self-isolation and reduced travel?

For those planning to retire, keep saving. Regular investments prove to be the best method for accumulation and help create good savings habits so you learn to live without this money. Also your investments often earn regular dividends or distributions that are buying more shares and increasing your investment. If you are not currently investing, this is a great time to review your cash flow and decide if retirement is a priority and if so, the time to start is now!

Those semi-retired or retired can revisit your short and long term goals and decide if they need adjusting. Maybe the things you want to do in retirement have changed and we need to revisit the plan with those items in mind. I know philanthropy is a goal some people have been adding to their plans now, taking care of others. Starting up a TFSA to invest some of the money accumulating in your chequing/savings accounts is one option, so feel free to get in touch with me to get this started!

Whether you are looking forward to retirement, semi-retired or currently retired, I would like to emphasize that all phases of life are important. Leading a balanced happy life will make times like this easier to bear. Ensure your debt is manageable and your spending adds value. For working couples, maybe an interesting plan could be to adjust spending so you live off only one persons' income and invest the rest. For retired couples, maybe live off only one persons' income for regular expenses and the other persons is for extra's, trips, etc.

I am always impressed with the ingenuity of you, my clients. You have a great capacity to live life, plan for the future and keep a positive outlook. Attributes that go a long way in challenging times like this. Feel free to reach out to me to explore your goals and dreams further and know that I am here for you.



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P.S. These letters are addressed to my current clients. If you think a friend or family member may be interested in being on our email list, please have them reach out to Brenda at brenda@mcwealthmanagement.ca so they can give us permission to add them to the contact list.