



## Financial Choices

According to Sun Life Financial's Canadian Unretirement Index Survey (2013)<sup>1</sup>, 59% of Canadians have less than a quarter of the money saved that they believe they will need to live comfortably for 20 years of retirement. The survey states on average Canadians anticipate needing \$46,000 in annual retirement income, or \$920,000 for 20 years. Thirty-eight percent say they will have less than \$100,000. Planning ahead for your future will not only give you a better chance at having the lifestyle you'd like as you age, but will help you anticipate health care and long-term care expenses. Even if you are already in retirement, there are things you could do to help maximize your income. Taking the time to speak with a trusted and credible financial planner could help. Use this chapter to begin the talk and develop a plan that allows you to take an active role in your financial future.

<sup>1</sup> [http://cdn.sunlife.com/static/canada/sunlifeca/About%20us/Canadian%20Unretirement%20Index/2013\\_Sun\\_Life\\_Canadian\\_Unretirement\\_Index\\_Report\\_en.pdf](http://cdn.sunlife.com/static/canada/sunlifeca/About%20us/Canadian%20Unretirement%20Index/2013_Sun_Life_Canadian_Unretirement_Index_Report_en.pdf)

## State of Affairs: Research



The majority of adult children and seniors feel as though they should be **fine financially** in the future.

14%

of adult children surveyed say their parents may need financial help from them in the future, while only about 10% of parents surveyed believe they will need such help.

Of the following three topics

- **sex life**
- **need to move**
- **financial situation**

32% of parents surveyed say financial situation is the most difficult to discuss with their adult children, second only to discussions about their sex life.



### Source:

Home Instead, Inc., franchisor of the Home Instead Senior Care® network, completed 400 telephone interviews with seniors age 65 and older and 400 interviews with adult children of parents age 65 and older in Canada.

For the full executive summaries, go to **4070Talk.com**.

**Home  
Instead**  
SENIOR CARE®  
*To us, it's personal.*

# ACT



ACT (*Assess, Consider, Talk*) to help determine how your future will look. Completing the following exercises could help prepare you for the kind of future you desire.

## Assess

Try to visualize the kind of life you want as you age. Do you desire the same standard of living you have now or better? How will you prepare for unexpected medical emergencies?

Picture the financial future you see for yourself. Regardless of what stage you are in life, what are your goals? Where are you now and where do you want to be?

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Estimate the cost of staying in your own home versus going to a care community. (*If you did a cost analysis in the living choices chapter, refer to that.*) Check into care costs in your area and compare to costs of mortgage/rent, utilities and yard or general maintenance. Would you need to remodel your home to stay as you age or to sell it and, if so, what would be the extent? Can you afford to continue paying property taxes on your home?

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# Consider

Identify and contact a trusted financial advisor who could help you achieve your goals.  
Consider appointing a person with power of attorney for finances.

Consider what it will cost in terms of the living option you have selected, living expenses, and leisure and travel activities. Will you travel and how much? Short monthly trips or a big vacation a year? Will you continue to work, at least part-time? How will you spend your leisure time and how much of your life will be spent on relaxation and hobbies versus work? If you are already in retirement, consider what changes you will need to make to meet your goals.

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Health also could impact you. Consider how you will pay for health and long-term care costs. No matter where you are in the aging process, it's not too late to ask your financial planner to help you estimate what you need to cover those expenses.

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# Talk

Discuss your goals with a trusted and certified financial planner. Talking can help families – particularly an older adult – feel more in control, like a weight has been lifted from their shoulders. Discussions can make these issues tangible and bring them out into the open.

After assessing and considering, write down your financial choices. And consider how you would discuss with a family member your financial expectations and needs. Discuss the importance of a will and any next steps needed.

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*Refer to the following conversation tips and suggestions for help communicating your wishes.*

## Conversation Tips

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“The recession has hit us all hard, Dad. Should you consider downsizing?”

“I’m looking forward to the years ahead. To help ensure I won’t be a burden on anyone, I’d like to share my plans with you and how I hope to finance those plans.”

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“With your problems, Mom, should we go see a financial planner to find out what sort of care we can afford?”

If you anticipate money will be a problem: “I may have to scale back my plans for retirement. Here’s why and the amount of money I anticipate needing in my later years. I think I’d feel better with a plan. Can you help?”

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# Talk

## If you live alone:

Appoint a person with power of attorney to help if you no longer are able to make decisions. Another suggestion would be to set up automatic bill pay.

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# Consider

## If you are part of a blended family:

Consider independent financial counsel for each family member.

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# Assess

## If you have dementia:

Make sure important financial information is secure, including bank and credit cards. Consider appointing a person with power of attorney. Address timing since the disease could impact income requirements and care options.

## Learn More

The following tools and resources can help families developing an action plan:

Sun Life Financial - What does long-term care cost?  
[sunlife.ca](http://sunlife.ca)

Canadian Income Retirement Calculator  
[services.gc.ca](http://services.gc.ca)

MSN Canada RRSP Retirement Calculator  
[money.ca.msn.com](http://money.ca.msn.com)

Advocis: The Financial Advisors Association of Canada  
[advocis.ca](http://advocis.ca)

Service Canada Retirement Pensions Information  
[servicecanada.gc.ca](http://servicecanada.gc.ca)

Canadian Alliance for Long Term Care  
[caltc.ca](http://caltc.ca)

Ontario Long Term Care Association  
[oltca.com](http://oltca.com)

Canadian Association of Retired Persons  
[carp.ca](http://carp.ca)

Ontario Ministry of Labour: Severance Entitlement and Pay Calculators  
[labour.gov.on.ca](http://labour.gov.on.ca)

Ontario Pension Board  
[opb.ca](http://opb.ca)

Tips to retiring wealthy for all Canadians  
[canadianbusiness.com](http://canadianbusiness.com)

Information regarding power of attorney in Ontario  
[attorneygeneral.jus.gov.on.ca](http://attorneygeneral.jus.gov.on.ca)