

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.



Brought to
you by



After 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 \$725¹**

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

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



¹All 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 Komaneke 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 \$660²**

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.

²All 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 \$430³**

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

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



³All 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
\$245⁴**

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

⁴All 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**⁵

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

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



⁵All 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 30, save \$3,490⁶</p>	<p>If you are 40, save \$5,000</p>	<p>If you are 50, save \$8,820</p>
--	--	--



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*

⁶All 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.

DISCLAIMER: The information contained herein has been provided by TD Wealth and is for information purposes only. The information has been drawn from sources believed to be reliable. Where such statements are based in whole or in part on information provided by third parties, they are not guaranteed to be accurate or complete. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax, or investment advice. Particular investment, trading, or tax strategies should be evaluated relative to each individual's objectives and risk tolerance. TD Wealth, The Toronto-Dominion Bank and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered.

Any reference herein to any individual or company not affiliated with TD Wealth ("Third Party"), or any products and/or services provided by the Third Party, does not constitute or imply the endorsement, recommendation or approval of (by) TD Waterhouse Canada Inc. (TDWCI) or its directors and officers. Any information related to the Third Party and/or its products or services is intended for informational purposes only. Any statements or opinions expressed by the Third Party are solely those of the Third Party's, and do not necessarily represent those of TDWCI. TDWCI does not control or guarantee the accuracy, relevance, timeliness or completeness of any information or statements provided by the Third Party, and TDWCI is not liable for any claims, losses or damages however arising out of any purchase or use of products or services from the Third Party, or from reliance of information provided by the Third Party.

All third party products and services referred to in this article/video are sold by the company or organization named. Neither TD Waterhouse Canada Inc., nor its directors and officers, endorse any of these products or services described in this article/video. The third party products and services referred to, or advertised in this newsletter, are available as a convenience to its customers only, and TD Direct Investing or TD Wealth is not liable for any claims, losses or damages however arising out of any purchase or use of third party products or services.

TD Wealth represents the products and services offered by TD Waterhouse Canada Inc. (Member – Canadian Investor Protection Fund), TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company).

All trademarks are the property of their respective owners.

©The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.