

GOOD LIVING: FINANCIAL PLANNING FOR THE HEALTHY, WEALTHY AND WISE.

Exploring new-found freedom

When it comes to chasing retirement dreams, it can pay to take gentle steps

Gerald Simpson dreamed of sailing around the world, and bought a 55-foot sailboat with which to fulfil that ambition as soon as he retired. Although he had little sailing experience, and he and his wife had never sailed together, he enthusiastically planned their first major outing, a trip to Britain.

They got as far as the Bay of Fundy before she emphatically stated that the plan wasn't going to work for her.

According to Michael Collymore, a certified financial planner in Markham, Ontario, experiences of this nature are too common. "People are often moving at 100 miles an hour through their careers, and move into retirement at the same speed. A wind-down period is essential."

While it is ideal to spend time in the years preceding retirement testing dreams through extended holidays or sabbaticals, many retirees happily devote the first years of retirement to a time of experimentation. A comprehensive retirement plan allows retirees to move through this exploration from a position of strength, knowing the parameters of their financial well-being as they make decisions.

"I encourage people to begin by doing a cash flow analysis. In that process, they find out where their money is going now and can begin to map retirement spending. Ideally, people want to be in a situation in which the house is paid for, the children are on their own, the cars are paid for, emergency funds have been put aside and health care issues are addressed. Then, it is a matter of maintaining the house, living expenses and lifestyle spending such as travel," says Collymore.

"I have a lot of clients who approach retirement with the idea they won't need much money to live on, and certainly, expenses such as travel to work disappear. But once people retire, they find other things to do with their time. Golf, for example, can be a considerable expense. On the other side of the equation, some people like to work part-time or do something completely different to supplement their income."

Suzanne Armstrong, the founder and president of Life's Next Steps, an organization that offers programs providing guidance and support to mid-life individuals, says, "To be successful in retirement, people need to be encouraged to dream big and to have a clear, well-defined vision in place for the future."

"We've developed certain strengths, skills from work and life strengths, which have served us well throughout life. They don't change or go away when we retire. It is important



PHOTO: KIM JEFFERY

Markham, Ontario-based certified financial planner Michael Collymore says, "People are often moving at 100 miles an hour through their careers, and move into retirement at the same speed." He advises retirees to instead develop a comprehensive plan that will allow them to explore possibilities from a position of strength, knowing the parameters of their financial well-being as they make decisions.

we do things we're good at and like to do."

A satisfying transition begins, she says, with articulation of those strengths, dreams and values. "Values guide us and direct us in our whole life, and sometimes shift as we mature, taking on different emphasis and importance."

Referring to Gerald Simpson's experience, she says, "He knew he had a dream – but it wasn't based on any of his strengths or even on things he liked to do. It most definitely wasn't based on anything (his wife) liked to do. So it failed."

It may be necessary to either enhance existing skill sets or adjust the dream. "A lot of people say, 'I want to volunteer – I want to give back when I retire.' But if they haven't had a history of understanding what that's all about, whether as a board member or cooking in a soup kitchen, they're not going to be able to turn the switch on all of a sudden to figure out how to do it or be good at it."

A realistic inventory and exploration process can also reveal new and sometimes thrilling possibilities.

"At the beginning of one of our workshops a few weeks ago, a woman described herself as 'feeling untethered' – directionless, scared, unsure what the workshop could offer. She was a successful freelance speechwriter, a well-known person in her community. She was afraid that retirement would mean being run over by her husband's interests – she didn't really know what she wanted to do."

After going through the exercises, says Armstrong, the speechwriter concluded she

had always wanted to be a pilgrim. "She wanted to keep writing and sharing information, and she loved food. She came up with the idea of visit-

ing 'slow food' centres throughout Canada, writing articles from different spots, selling them to magazines in order to finance the trip, and

then compiling all the articles into a book.

"You couldn't have imagined a more delightful smile on her face." ■

Peer groups can help retirement exploration

While there are many one-on-one coaching options for baby boomers transitioning to a post-work lifestyle, exploring the options in a peer group can provide unique benefits.

Suzanne Armstrong, president and founder of Life's Next Steps, says, "We suggest that, in the workshop, people come from all different companies and walks of life. If they were from the same organization, they might be afraid or embarrassed to share their dreams: When you mention you want to open a fish and bait shop, someone you've worked with for 20 years might laugh simply because you've never expressed that interest before."

"People start working together in pair groups, and then, over the course of the workshop, work with multiple partners. Getting feedback from various other people ensures the participant avoids being slotted into stereotypes. In our workshops, people work intensely with others, and then choose one person to be their peer coach (for follow up) for another year."

For more information, visit lifesnextsteps.com.

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Retirement living 101 – testing the dream

In their book *Six Months Off*, authors Hope Dlugozima, James Scott and David Sharp cite research that found 70 per cent of people between 35 and 49 dream of taking an extended period of time off work. For those facing retirement, realizing that dream can help avoid unpleasant and sometimes expensive surprises during the post-work transition.

Many Canadians have access to workplace programs that make extended leaves or transition periods a comfortable option. Public service employees, for example, can choose to take a 'pre-retirement transition leave.' Qualifying employees within two years of retirement can reduce their workweek by up to 40 per cent, with a correlating decrease in pay while maintaining full benefits, but they must agree to resign their position at the end of the leave period.

Larger employers often offer a deferred salary leave plan (DSLPL), which allows employees to defer a portion of income – and the related income tax – to provide for a "self-funded leave of absence."

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Retirement

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