

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

A rich retirement requires more than money

Sound finances are just one part of post-work years

The richness of post-employment

Post-employment, a rich quality of life and health is "all about social networks," says John Crawford, co-founder and vice-president of the Canadian Academy of Senior Advisors, and a recipient of the Queen Elizabeth Silver Jubilee Medal for his service to the elderly and disabled in Canada.

"We build our social networks throughout our lifespan, (in) school, at work, at recreation, at family activities. Subsequently, in later life, these networks of associates, friends and families become crucial in forming and guiding the activities we engage in," he says.

As the retirement years go by after 65, people with large networks do better, says Dr. Crawford. "Research evidence shows that they rate higher in the areas of physical and mental well-being, longevity and life satisfaction. Typically, women build more extensive, longer lasting and more secure social networks than men. Social scientists believe that this is the reason women retire more happily."



PHOTO: SHERYL NADLER

Financial planner Sue Foley of Hartry Foley Financial in Oakville, Ontario, says one constant for happiness is to have a financial plan you don't have to lose sleep over. "It's essential to have your mortgage paid off before retirement, and to have a clear spending plan," she says, noting that for a truly fulfilling retirement it's also important to have hobbies and activities that bring purpose and meaningfulness to life.

A sound financial plan is vital to ensure that the retirement years are as worry free as possible.

But with people living longer, it takes more than money to ensure the post-work years are also reward-

ing and meaningful.

Sue Foley, a financial advisor in Oakville, Ont., describes her dad, Doug

Hartry, as 'Mr. Retirement.' "The amount of volunteer work he's done over the years, particularly with his church and Rotary Club, is fantastic," she says.

He is far from alone. "I'm a volunteer with the Rotary Club, as well, and I'm constantly amazed at how active our seniors are."

As a financial advisor, Mr. Hartry had the opportunity to see what did and didn't work in retirement long before he arrived there himself.

"When I took over my father's business in 1992," says Ms. Foley, "he said, 'Honey, when people retire, it's not all about money. You're going to have to sit down and have that discussion with them three to five years before they retire. It's about their hobbies and volunteering; there is a spiritual element. Unless all those things are in sync, they're not going to have a nice retirement.'"

Now with clients well into their 80s, Ms. Foley says she has seen her father's advice prove true many times over. "One constant for happiness is to have a financial plan you don't have to lose sleep over. It's essential to have your mortgage paid off before retirement and to have a clear spending plan. But it's also the balance of all those other things."

Life and retirement coach Barbara Swanston agrees. "When you're employed, the job gives you structure; it defines where you have to be and when you have to be there. You know what's expected of you, and it gives you identity. It's one of the first questions people ask

when they meet you: What do you do? It also is a venue for social contact."

Post-work, she says, it's essential to think about how to create structure, identity and social contact for yourself. "When I provide seminars, I often bring an empty day planner along. Here you are, I say, opening it to a blank page: you've just retired."

A rich quality of life requires filling those blank pages with activities that are aligned with personal values, she says. "It doesn't have to be huge or global. It could be 'I go down and buy the paper; I run into a bunch of people, we chat, have a cup of coffee.' That's about fulfilling a value, a need for community. 'What are your values? What is really important to you?'"

Leaving a legacy is a common value among seniors, and charitable giving has grown exponentially, says Ms. Foley, especially since the government has changed the tax regulations governing the gifting of shares. "People are now gifting while they're alive, and it helps them with their taxes now. People over the age of 65 own more than 70 per cent of the world's wealth. Affluent seniors who do the proper planning can control the passing of wealth to the next generations in a way that's comfortable for them. In my family, for example, my dad is helping my children with their university costs by making contributions to their universal life policies."

A retirement plan provides a forecast of what the final financial picture is going to look like, she says, enabling sound decisions and providing peace of mind. "They just need to have the discussion with a trusted advisor," says Ms. Foley. "They can then see what their tax situation is going to be. It allows informed decisions about how much will go to the kids and to charity; what to do with the family cottage, so there isn't a huge tax burden."

Most families have some concerns about passing on assets, perhaps due to challenging family situations. Trusts can ensure that family wealth doesn't enable a drug or alcohol problem or end up outside the family due to divorce. Life insurance products such as GICs also provide the opportunity to name a beneficiary, including a charitable organization, so that the proceeds don't become part of the probated estate.

"Most people want to have some kind of impact," says Ms. Swanston. "When we reach a point in our lives when we're scaling back the time we're giving to work-life, we begin looking at ways we can make a contribution to something we're passionate about, something we feel is important." ■

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In 1950, says life and retirement coach Barbara Swanston, a 40-year-old could expect to live about 25 more years. "Today, if you're 60, you can expect to live about 25 more years. There's a whole new stage of life that didn't exist 50 years ago. So, what do we do with this? It's a huge opportunity, because for most of us, it's the first time in our lives we're going to have an opportunity to create a vision, build it and then live it."

The first stages of life are usually devoted to earning a living and having a family, she says. "We had all these obligations, but now we can be selfish, in the best possible way."

The most effective starting point in creating a post-work vision, she says, is asking the essential questions: "Who am I? What are my values? What are the things that, in this stage of my life, I really want to focus on? Before you decide what to do, let it be informed by who you are."

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