

# Blue Skies

**Your guide to better retirement decisions**



Robert R Lamb, BA, CCS, CFP, CHS, MFA

## Planning for Your Retirement

If you've been wondering how to best plan for your retirement, then you've found what you've been looking for -- this guide has been written for you.

You've probably been led to believe that obtaining a broad spectrum of information on something you will probably only do once, if you do it right, is a prudent act. You may find this is not true.

Today, the Internet is a ready source of information on almost all things relating to the topic of retirement. Often your search will generate so much information that you may find yourself silently screaming 'overload', or as the younger generation says, "TMI".

Furthermore, if you think about it, everything you find has been written with a bias; therefore, you are faced with a double challenge: (1) determining which information is useful to your search, and (2) determining what was the bias of the writer in putting that information together for you to use.

Retirement has become a major challenge for Canadians, and retirement planning has become complex. Not just the issue of longevity we find ourselves faced with, but the myriad of financial, health, and social challenges that this phase of life brings.

Governments even struggle with this issue, and for the most part, they do what all governments do – they do just enough so that they are seen to be doing something about it.

Appearances and promises and apologies are fine for media consumption, but they won't necessarily help you. You are going to have to assume full responsibility for your own well-being in retirement. You must.

# Your Retirement Success Checklist

This 'guide' is just that, a guide; it is not an owner's do-it-yourself manual. So, while it is brief, it should prove invaluable as it will address the core issues you need to seriously consider in putting your retirement plan together.

This checklist is compiled based on my many years of experience in doing this work. I believe it will help you in your search for peace of mind in retirement. And as you read through it, see if you can find the sales pitch hidden in here somewhere.

## **Checklist Item #1. Get professional help.**

All of us make decisions on what we think we know. And of course, we want to make the right decisions.

**Unfortunately, you don't know what you don't know.**

Your assumptions are going to hurt you, and regret isn't going to fix your problem.

**Find a competent professional to work with.**

## **Checklist Item #2. Consolidate your assets.**

No professional can provide sound advice with only half of your financial information. Not even with three quarters of it.

No doubt you've heard that two heads are better than one. Not true. It only results in a pissing match between advisors. At your expense.

Don't let your fear of disclosure prevent you from getting the best advice for your situation.

**If you don't trust your advisor enough to do this, find another advisor.**

## Checklist Item #3. Work with someone who has the same values as you.

It's not just a myth. We both trust and work better with those who honour the values and beliefs we hold dear. (And this is a two-way street.)

Most of the decisions we make are made at an emotional level first, and then we use facts to rationalize our decision.

But when you *know* the decision you've made is right, not only does it feel right, you can rationalize it and easily put it into words.

And if you're working with someone you trust and who holds the same beliefs and values as you, sometimes there is a level at which you are able to feel that you can make a decision, and you don't always need all the facts and figures.

Achieving this level of loyal relationship between yourself and a competent advisor will go along way towards giving you the peace of mind you want in your retirement. And it's not going to happen with someone focused on the money.

Work with someone who believes what you believe. And trust your gut.

## Checklist Item #4. Create a whole plan, don't focus solely on the money.

When you create your retirement plan, make sure it's about you and what's important to you. At a minimum there are 8 factors that go into a comprehensive retirement plan.

You need to consider each of these factors, and to feel somewhat inspired by what you have determined for yourself in addressing each of them. If you don't do this at the beginning, they will come back to derail your planning later.



# Your Retirement Success Checklist

Each one of these factors comprises a conversation in itself; in no particular order, they are as follows:

- **Vision:** What will your retirement look like?
- **Home:** Will your accommodation needs change? Will you move?
- **Health:** How long will it last? Are you ready for health challenges?
- **Lifestyle:** How will your day-to-day be different?
- **Interests:** What will fill your days? Will it be interesting?
- **Financial:** Will you have enough money to achieve your vision?
- **Social needs:** Will your circle of friends change?
- **Legacy:** Will your wealth be protected?

Make sure you have these conversations with your partner and your advisor before sitting down to design your plan. And remember, you're not having an argument, you're having a discussion.

## Checklist Item #5. Build long-term care costs into your plan.

Health is one of the factors you need to talk about before designing your plan, and in doing so, make sure you build long-term care costs into your planning.

70% of the people over the age of 60 are going to need it -- you may not. But if your planning will allow you to address this issue so that it doesn't become a concern for your partner or your children, why not?

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Remember, you're planning, so be realistic, not optimistic. Use probabilities, not your ego and/or hope.

## Checklist Item #6. Be honest in your disclosures.

This is a tough one. We often spend money that we don't want our partner to know about. Or even feel that they need to know.

Or we lie to ourselves about how much money we are really giving to the kids or grandkids to help them out.

Or we are in denial with how much money we are spending to subsidize our parent's lifestyle in their retirement.

These are all valid expenses, and you need to account for them to make sure your numbers will support the retirement you have envisioned for yourself.

It's easier to make adjustments at the beginning of the trip rather than halfway through. And your relationship with your partner remains so much better. Just saying...

## Checklist Item #7. Estate planning forms part of retirement planning.

I know. You've been thinking about all the fun, freedom, and personal growth you're going to enjoy in retirement. Who wants to think about dying?

In his renowned book, **7 Habits of Highly Effective People**, Steven Covey said, "***Begin with the end in mind.***" Using your imagination to develop a vision of what you want to happen when you die will definitely help you better organize your assets to support your living goals and objectives. It will ensure the steps you are taking are in the right direction, and that you will be living your life on purpose.

# Your Retirement Success Checklist

You might discover what I and many others have learned: ***Being ready to die makes it easier to live.*** You've taken care of all the details while you were in charge and able to do so; they aren't going to become problems for others to deal with.

This isn't some warrior's creed, "*Today is a good day to die*" sort of thing. This is a thinking person's creed, "*I can live fully because I've prepared for my death.*" There's a huge difference.

## Checklist Item #8. Stress test your plan.

The sun isn't always going to shine. Markets are going to correct, even crash; governments are going to increase taxes and/or reduce benefits; you're going to get sick; your kids are going to get sick... Who knows?

You must assume the worst (within reason) will happen at least once during your retirement. (Over a 30-year retirement, I'd plan for three times.)

The problem is you don't know when. So you need to run various scenarios to see how these tragedies will play out at different times over the course of your retirement to give yourself an understanding of how that could look and to determine if your planning will survive.

Nothing's perfect, but if you don't do this, you will not be prepared for these eventualities.

Who knows how many greeters Walmart may need at any one time?

## Checklist Item #9. Review your planning regularly.

Can you tell me where you'll be in 5 years' time? How about in 3 years' time?

If you're honest with yourself, your answer will be 'No'.

No one knows the future. Life is dynamic; it's always changing. If you agree with this, then you'll understand the ramification of this statement for your planning.

At its very best, planning will help you learn about what could happen to you in the course of your life (retirement) and to discover and explore the options you have to deal with the issues that could arise.

A second, and even more valuable, benefit of planning is that it will help you make better decisions for your life.

And it's because life is dynamic, ever changing, that you need to review your planning regularly.

You'll notice that I didn't say 'plan', I said 'planning'. Planning works, plans fail. Which do you want?

## Checklist Item #10. Price is only a consideration in the absence of value.

There's a heightened sensitivity to price these days, but price isn't the issue. We all want value for our money. You want value for your money.

However, each of us assigns different values to different things, and we see this reflected in how we behave in our relationships with others.

It's only when you and your advisor share a common set of values and beliefs that trust can truly be formed. You need a transference of trust to realize real value.

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Honesty is not trust. Neither is transparency. Honesty and transparency benefit everyone, but in and of themselves, they aren't the basis of trust.

Mistakes will happen. But if there's no trust in the relationship, the wisdom to be gained from a mistake will be lost if it prompts you to find another advisor. Or vice versa, if you aren't fully participatory in your own planning and your advisor feels the need to fire you.

Wouldn't it make more sense to explore your values and beliefs with the other party or parties before embarking on a course of action with someone who doesn't see the world the same way you do?

You want everyone working to create your future on the same page.

## Summary

There's a lot of free information on the Internet to assist you with retirement planning. I'm sure you could find and download 14 different retirement guides in one day.

The question you must ask yourself is this:

**"Are the guides designed to help me or the writer?"**

Acting according to your values rather than your desires or impulses will get you to your goals faster and easier than any other course of action.

*We're not for everyone, and we don't try to be, but if you've connected the dots, you know what we're all about and why you should choose us.*





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### **Robert R. Lamb, BA, CCS, CFP, CHS, MFA**

Financial Planner - Manulife Securities Investment Services Inc.  
Life Insurance Advisor - 123RETIRE

