



# FINANCIAL WISDOM

- WEALTH MANAGER -

November 2024

## Weighing the Cost of Your Retirement Dreams

We all know how easy it is to romanticize our retirement years. Many of us make lengthy lists of things we will do and experience in those golden years. We have little doubt about our ability to enjoy the perfect blend of leisure and excitement, which is what makes the very idea of retirement seem so priceless. However, it would be a mistake to equate "priceless" with "cost-free!"

Those golden years might cost you more than you think. Are you prepared for those costs?

Here is the thing to remember: sound financial plans focus on the type of assets and retirement income you will need to maintain a certain lifestyle level once you stop working. If you have plans beyond simply living out your retirement years in your quiet little neighborhood, you need to consider the costs. It would be a huge disappointment to see all your retirement adventure dreams vanish because of failure to plan ahead.

**To avoid that disappointment, you need to make an honest assessment** of your current financial plan, and then look at the real costs associated with those dreams - which can vary wildly - depending on the nature of your goals and the extravagance of your tastes.

Consider a winter home, for example. If you are thinking about getting away from the Canadian cold during the winter, then a second home in the American South might seem tempting. Even a condominium in some southern states can cost several hundred thousand dollars.

Alternatively, you could opt to simply vacation in warm locales; however, this route can end up being even more expensive over time.

**Those aren't even the most extravagant adventures that you might undertake.** Are there exotic destinations you've always dreamed of seeing? European vacations can cost several thousand dollars a month even when you look for budget accommodations. African and Asian adventures can run as high as ten thousand dollars for just a few weeks. Many people might be surprised to discover that journeys across Canada can cost thousands as well!

Indeed, there are modest trips to visit family, see local sights, and enjoy local attractions that are still possible for Canadian retirees without a lot of discretionary income. Still, the bottom line is clear: retirees who fail to properly prepare themselves for anything beyond the normal retirement costs of living may be doomed to see many of their dreams remain stubbornly beyond their reach.

**None of this means that you should abandon those dreams, of course.** You should take account of the actual costs involved with your retirement plans, to ensure that the money you are saving and investing today will be sufficient for your needs tomorrow.

**Remember, Canadians often live for several decades beyond their retirement,** which means it is vital to adequately prepare not only for the costs associated with maintaining our standard of living post-retirement, but the costs associated with fulfilling those other retirement dreams as well.

**Need help with your retirement dreams? Give us a call!**

Anne Kinzie, CFP

Kinzie Financial - Investia Financial Services Inc. (Mutual Fund Dealer)

Ph: 519.740.2182 - <https://www.kinziefinancial.com> - <mailto:anne.kinzie@iainvestia.ca>

