



Enjoy retirement without breaking the bank

Most people think of work in terms of how much money they can make. Now that you're retired – or soon to be retired – try thinking of work in terms of how much money it was costing you.

When you don't have a job anymore, a whole set of expenses goes out the window. You no longer have to budget for a wardrobe, dry-cleaning, transportation, parking, coffees, lunches or any of the other built-in costs of having a career. Even better, by now your mortgage may be paid off.

To make the most of your retirement without leaning too heavily on your savings, try this exercise. Add up what your work-related expenses usually cost you in an average year, then allocate them towards your favourite leisure activities – for instance, gardening supplies, novels, fitness equipment, matinee movies and lunches with your retired friends.

There are always caveats, of course. In this case, you have to allow for some costs to go up, such as health, dental care and drug expenses. Life insurance, if you buy it now, will be costly relative to what it cost when you were younger. You may also decide to spend money on travel.

FIND OUT WHAT'S FREE

You can save money by finding out about free activities in your community, from walking clubs to garden-planning workshops. Get to know your local library again. If you miss the intellectual challenge of your career, consider auditing a class or two at your local university. Community centres are excellent resources, not just for interesting classes, but also for getting to know other people your age who are also newly retired.

Of course, now is also an important time to talk to your financial advisor about cash flow planning. According to *What Every Canadian Should Know about Family*





Finance, a book published by the Investor Learning Centre of Canada, the income you'll need in retirement depends on your age at retirement and on your chosen lifestyle, but will be around three-quarters of your usual amount.

"If you aren't sure what your needs will be, it's best to pick a target based on a percentage of your pre-retirement income," the book advises. "Although most financial planners suggest a target of 70 per cent, it's probably wise to shoot a bit higher if you can. People are living longer and it's surprising how fast money can go when you have time to spend it."

Your financial advisor can help you decide on a strategy that will make the most of your savings as the years go by.

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