

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

A special 3-part mini-series:

The new retirement / PART 1:

## The active years

Chances of longer, more active retirement ups ante for planning

Travel plans?  
Think health first

Many Canadians dream of travelling in retirement or of spending part of the year in warmer climes. But the challenge of arranging insurance to cover medical expenses that may arise when out of the country is keeping many at home, says Brad Amlin, financial advisor with Marlatt, a financial and estate planning firm in Oakville, Ontario.

"Either retirees can't get the insurance because of a pre-existing condition or it so expensive that they decide against travelling out of the country."

"Snowbirds (from Ontario) are going to Victoria – as close to warm as possible – where they're still covered under our Ontario health plan, because they can't afford the travel insurance required to spend time in the U.S."

Planning ahead can help. There are plans available, says Mr. Amlin, that guarantee travel insurability for several years. "(Retirees) can apply while they're relatively young and healthy, and lock in travel insurance so it's grandfathered to the conditions they had when they first applied."

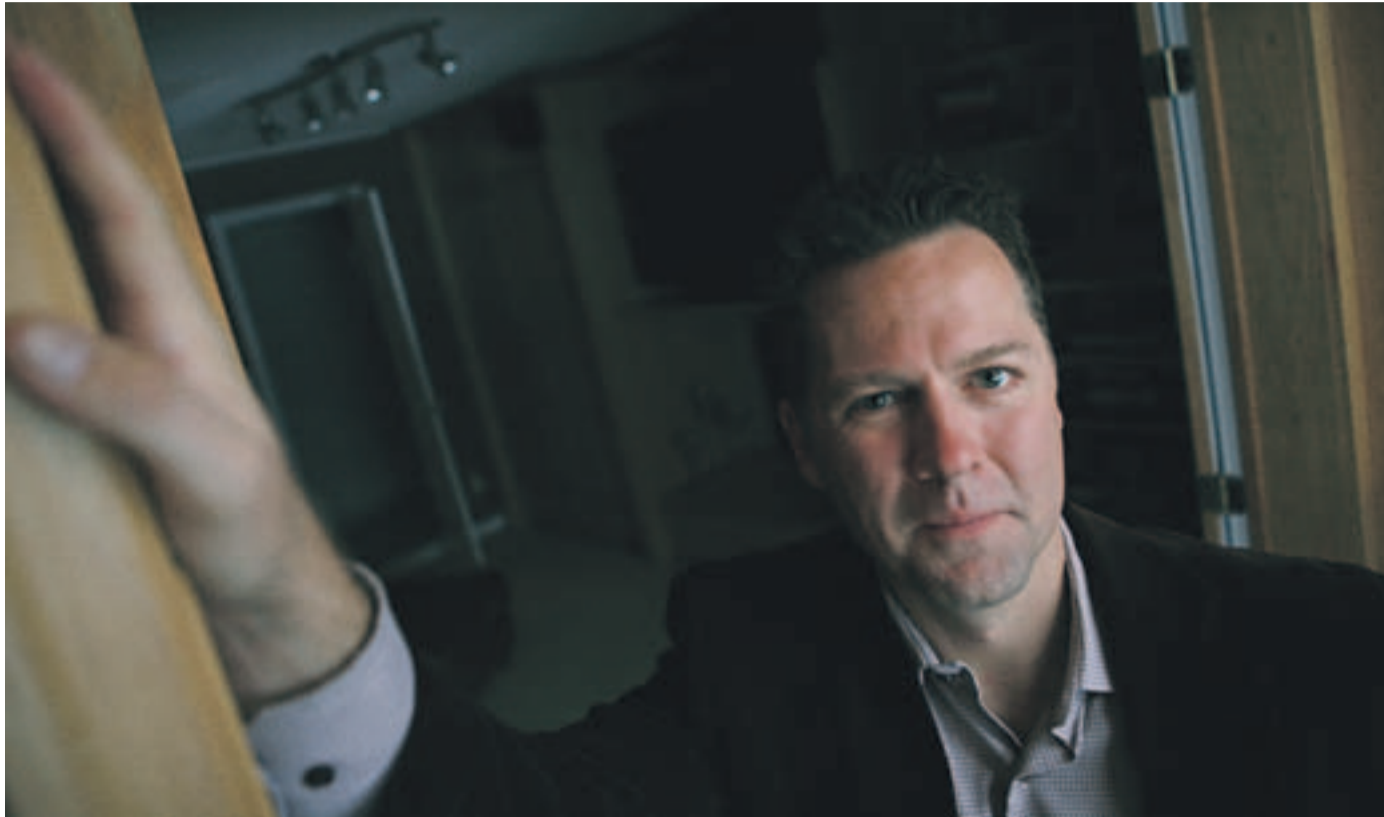


PHOTO: DEBORAH BAIC

With more people living longer and more active retirement years, Oakville, Ontario-based financial advisor Brad Amlin says a flexible financial plan designed for a multi-stage retirement provides a foundation for peace of mind. "It reaffirms that the money will be there, not just for the first stage of retirement, but throughout life," says Mr. Amlin, who advocates the inclusion of contingencies based on both positive and worst-case scenarios.

Beginning at about age 50 and extending as late as the mid-70s, Canadians are reducing their workloads, but largely rejecting traditional retirement.

Professionally and socially active, they are intrepid volunteers and active travellers; they are starting new businesses and launching new careers.

This is the retirement previous generations never had – and it requires a new level of preparation. A financial plan provides the foundation for peace of mind, says Brad

Amlin, a financial advisor with Marlatt, a financial and estate planning firm in Oakville, Ontario. "It reaffirms that the money will be there, not just for the first stage of retirement, but throughout life."

For a multi-stage retirement, flexibility is key. "I always create two iterations; one based on the way things currently sit; the other based on worst-case scenarios. Life doesn't move linearly, but in twists and turns we probably weren't counting on. What happens if you don't get the rate of return you expected? Or if there is a critical illness?"

As one element of making contingency plans to deal with those twists and turns, he recommends applying for a line of credit. "Do it while you're working. It doesn't mean you have to use it, but it's there if you need it down the road."

For people who plan to launch a small business in retirement, he says, a line of credit is even more important, as is having appropriate liability insurance and the right business structure. "In a sole proprietorship, all of your personal assets are at risk. You don't want to have creditors trying to tap into your retirement nest egg because you've started a business and it's failed."

Planning for the non-financial aspects of retirement is just as critical, he says. "People go from working for 40 or 50 years to full stop," which can leave them without a sense of purpose and may even lead to depression, he says. "They quickly find out that they're not always going to be on the golf course."

Mr. Amlin shares the story of one of his clients, an engineer, who planned to do exactly that, but failed to consider the dearth of immediate

golfing opportunities when he retired in January, in Ontario. "For the first time, he was witness to the work his spouse did around the home. And after observing her routine for a while, he created a flow chart to make her workload more efficient."

Not surprisingly, his wife asked him to find a new hobby – preferably outside of the house.

To ease the transition from a life defined by work – for both spouses – Mr. Amlin recommends volunteering. "It provides a sense of purpose and a reason to get up and out in the morning. But it also provides a social outlet – the work-related family."

Vancouver Life and Retirement coach Isabelle St-Jean, author of *Living Forward, Giving Back*, agrees. "For the most part, the boomers have been able to meet their basic needs. They're awakening to the urge to make a difference, and sometimes it can come on like a tidal wave."

For the brain to function optimally, she says, new research in neurobiology shows that we must not only stimulate it with intellectual activities, but through interaction with others. "By nurturing bonds with loved ones and friends, engaging in stimulating, animated or energizing conversations and expanding our community of significant others, we strengthen the neural pathways in our brain – helping our brain to stay richly alive and function well."

It's essential to begin preparation for the next stage, says Ms. St-Jean, by recognizing that values may have changed over time. "It's common to find that there is a gap between what we see as more important now and the way our lives feel and look."

"In the process of understanding and gradually shifting our way of life according to what really matters now, we can come to experience mid-life as a time of renewed opportunity rather than a crisis."

Making a list of one's top five values can form the basis of a reorientation toward a purposeful vision and corresponding activities, says Ms. St-Jean. "Once that introspective exploration takes place, a time of deeply rewarding, health and life-affirming engagement can begin."

She adds activities such as volunteering, mentoring, social entrepreneurship and contributing are helping the newly retired achieve that sense of rich, deep happiness that comes from making a difference in other people's lives. "Happiness is a huge contributing factor to wellness, health and longevity," says Ms. St-Jean.

Watch for Parts 2 and 3 of *The new retirement* series publishing February 19 and 26 in *The Globe and Mail*.

## Give generously. Live well

While boomers are undoubtedly the healthiest retirees in history, health can't be taken for granted in mid-life, says life coach Isabelle St-Jean, author of *Living Forward, Giving Back*. "According to a 2006 report by the Canadian Heart and Stroke Foundation, more than 40 per cent of Canadians in their 60s had cardiovascular disease."

"It takes acute awareness and an active lifestyle that serves the needs of our body, mind, and spirit to maintain our vitality and wellness at this time of life," says Ms. St-Jean.

One way of doing that, she says, is by giving back. "Numerous studies quoted in my book show that giving and serving contribute to health and longevity. A University of Berkeley study followed 2,000 individuals over age 55 for five years and found that those who volunteered for two or more organizations had a 44 per cent lower likelihood of dying within the period of the study."

That benefit, says Ms. St-Jean, surpassed even the benefits of exercising four times a week, which reduced mortality by 30 per cent.

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