

THE IMPORTANCE OF RETIREMENT PLANNING

BY: ETHAN MAYDEW



Why now?



Reducing stress
Financial security
Life doesn't always go as planned

One of the many benefits of beginning retirement savings at a young age is **compound interest**. When money is invested it earns interest; put simply, **compound interest** is the interest you earn on your savings plus interest. This allows your savings to grow significantly.

Compound interest, or letting your money work for you

Benefits of saving early



When you start to plan for retirement early it can alleviate stress and promote **Financial Security** because you'll have the tools you need to understand retirement savings.

Life doesn't always go as planned; there may be unforeseen expenses/circumstances. Like my parents always say, "try your best to plan for what you can".

How to save



Pay yourself first
Budget, budget, budget!

There are many different ways to start saving money. A good place to start is a **TFSA** or **tax-free savings account** because you don't pay tax on any interest earned. **RRSP, or Registered Retirement Savings Plan**, allows you to save for retirement and defer tax until you withdraw the savings. **Non-registered** accounts offer lots of flexibility but no tax advantages.

Another way of saving is paying yourself first. This means allocating a percentage of your paycheque directly to retirement savings.

Budgeting is an excellent way to practice being responsible with your own finances. This will allow you to balance saving and spending.

TFSA
RRSP
Non-registered

Where to save?



A great first step to get started with planning is to talk to a qualified advisor. They will be able to help you identify your objectives, set goals and find the right financial products to help you on your way.

Online tools and calculators, like those offered by Sunlifeglobalinvestments.com can help you get started!

Who can help?



Qualified advisors



Fun facts:

The earlier you start saving, the faster your money may grow.

Canadians are living longer than ever and this means more years of retirement.

How much you need to save for your retirement may be affected by your access to a workplace pension plan.

Matching contributions to defined contribution retirement savings from an employer are a great way to grow your retirement savings.