

Have you started your **RETIREMENT PLAN** yet?

GET A HEADSTART ON YOUR RRSP*

*Registered Retirement Savings Plan

Importance of Retirement Planning

Many Canadians do not have enough money to retire comfortably. The average life expectancy continues to rise, consequently raising the amount of time an individual spends "retired". This means the money required to retire rises as well.

Start Investing Early



As you invest your money annually, you will earn compound interest. This allows your original investment to grow into a larger amount as you collect interest year after year, regardless of your contribution to your investment.

Example:

INVESTOR A

- Sets aside \$5 000 annually from the age 25 to 65
- Invests a total of \$200 000
- With 6% interest compounded annually, they retire with \$820 238

INVESTOR B

- Sets aside \$5 000 annually from the age 35 to 65
- Invests a total of \$150 000
- With 6% interest compounded annually, they retire with \$419 008



**INVESTOR A
INVESTED ONLY 25%
MORE THAN
INVESTOR B, YET
RETIRED WITH 49%
MORE MONEY!**

Rule of 72

Want to know how long it takes to double your investment?

$$\frac{72}{\text{annual interest rate}} = \text{number of years}$$

Ex. 6% interest rate

$$72 / 6\% = 12 \text{ years}$$

Therefore, if you set aside \$10 000 when you are 20 with a 6% interest rate, your investment will be worth \$20 000 by the time you are 32

Build Your Future Now!

Need help starting your retirement planning?
A Sun Life financial advisor can help!

"Someone is sitting in the shade today because someone planted a tree a long time ago."

—Warren Buffett

