



# 2017 ONPHA Conference and Trade Show

Shaping  
OUR  
Future

## Retirement Planning:

- *Key steps to take*
- *Critical mistakes to avoid*

### PRESENTED BY:

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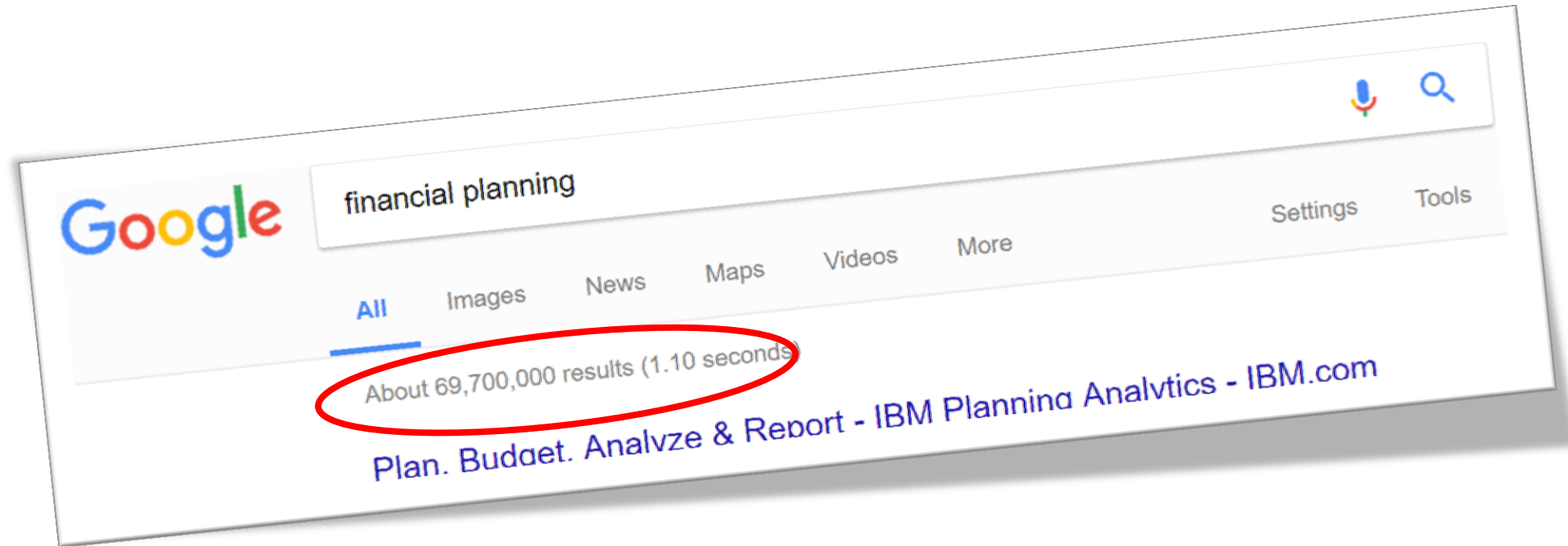
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# Learning goals

1. Learn the steps to take to create a tangible financial plan that will help make your dreams a reality.
2. Learn about the pitfalls to avoid and the important changes you can make right away to plan for your future.

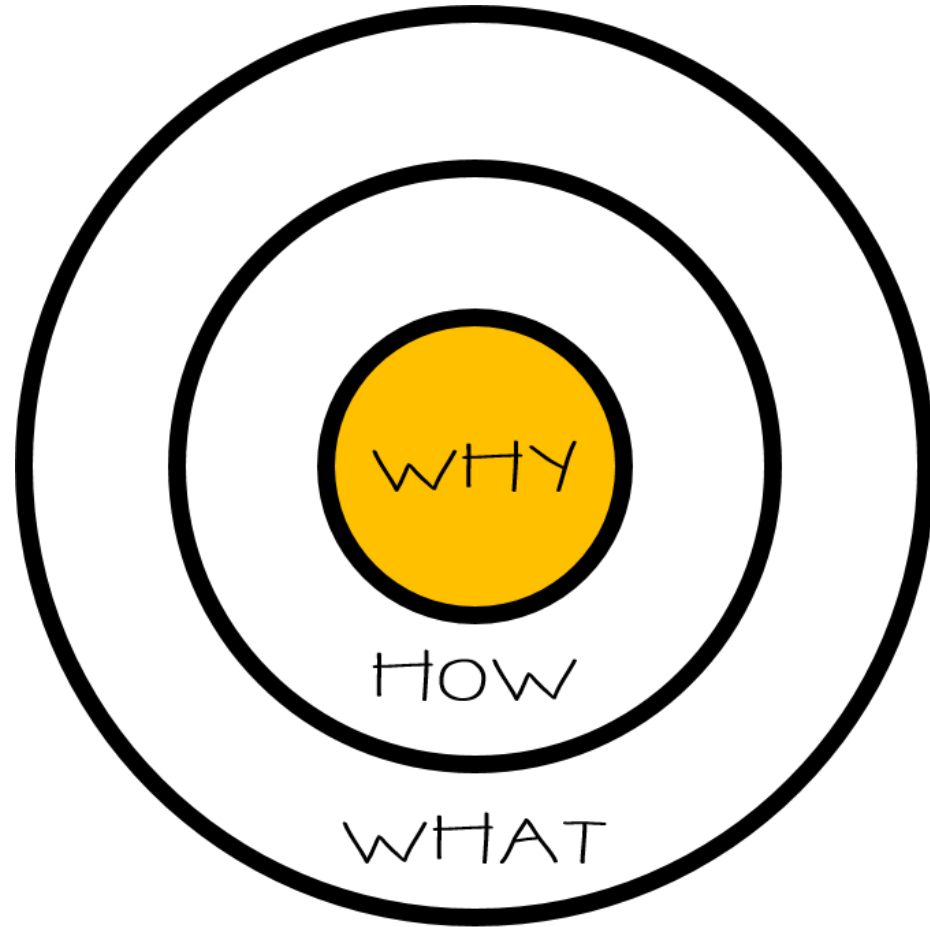




WHY?



# Start With **WHY!**



- **WHY** – Your purpose. What's your motivation?
- **HOW** – Your Process. Specific actions to realize your WHY.
- **WHAT** – The investments you make, which flow from your HOW.



**Nearly 7,000,000 Canadians  
will reach retirement within  
10 years<sup>1</sup>.**

**They will live longer than any  
previous generation.**

# Increased Longevity Increases Danger of Not Planning

For a healthy couple both 65, the probability of living to various ages

Age	Male	Female	One Member of a Couple
80	71%	81%	94%
85	53%	65%	84%
90	34%	44%	63%
95	17%	23%	36%

Data source: Society of Actuaries Annuity 2000 Mortality tables  
Longevity data presented does not reflect mortality from birth statistics available from U.S. Census Bureau.



# A Few Stats On Retirement In Canada

- 68 percent middle-income families don't have a retirement plan
- Less than 20 percent of middle-income earners have saved enough
- 30 percent haven't saved a cent
- 62 percent ended up retiring earlier than expected
- For 2017 the total max from CPP & OAS is \$1,693/month





**Where To Begin?**



**What's your PIN?**

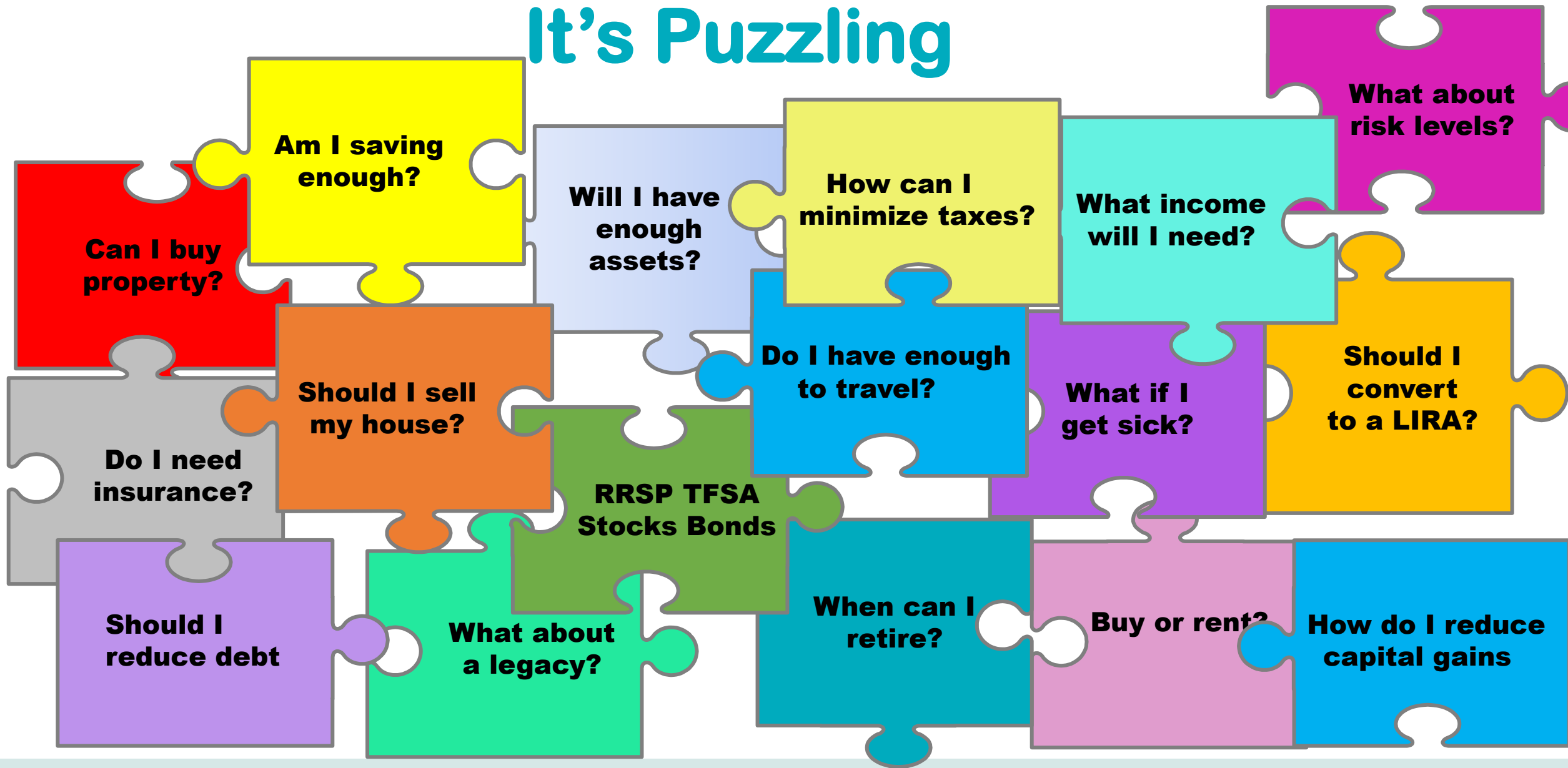


**“Effective planning must be about more than financial security. The new face of retirement planning must go beyond money, and adopt an integrated and holistic approach to helping people prepare to live longer and well.”**

**Dr. Joe Coughlin, MIT AgeLab**



# It's Puzzling



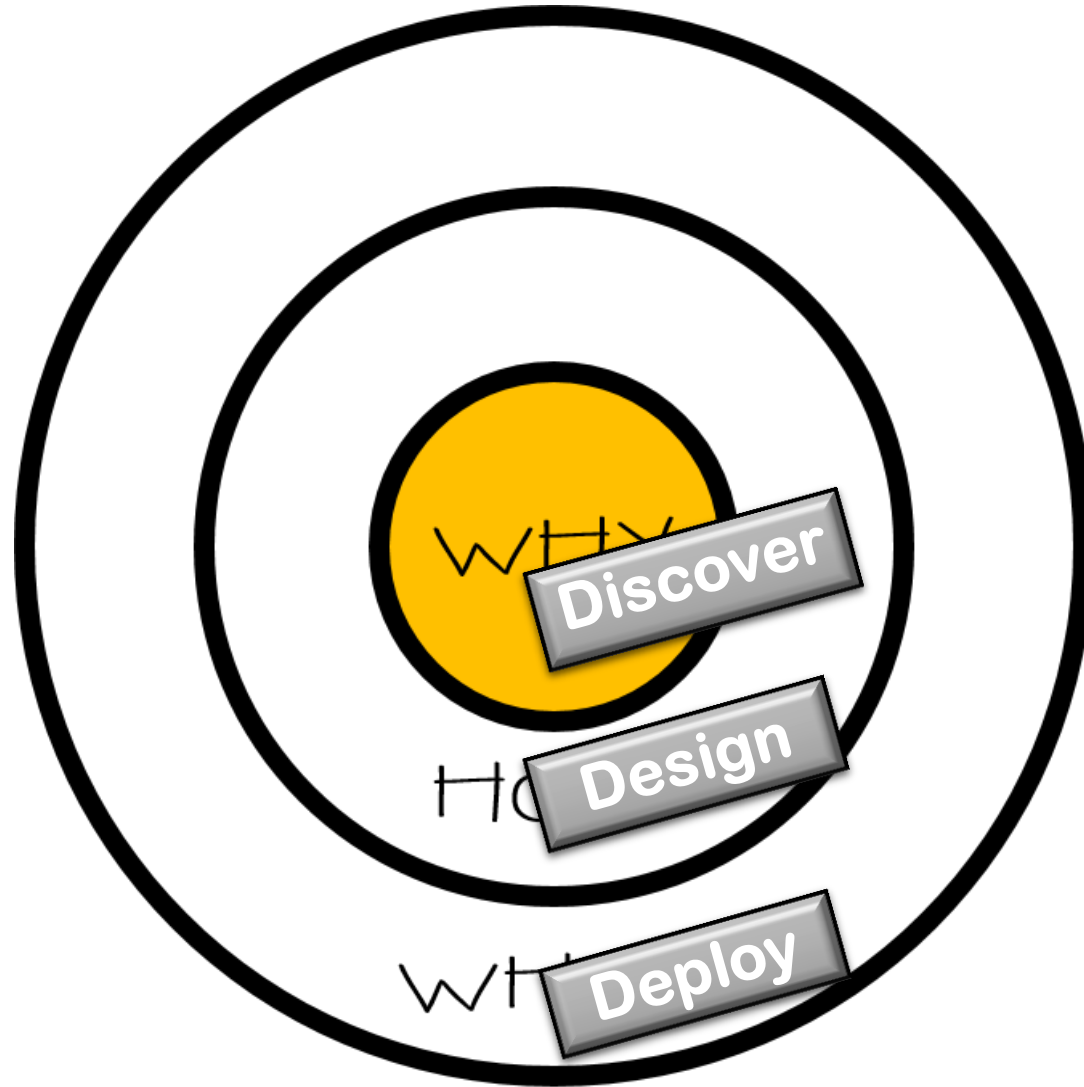


“A goal without a plan is just a wish.”

*Antoine de Saint-Exupery*



# Our 3-D Process™



# Step One - Discover





# What gets you out of bed in the morning?



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# Where Are You Today?

## YOUR DETAILED BUDGET

Recording your average monthly expenses can help you budget for the future.

This detailed worksheet can help you document both regular expenditures and the ones that may arrive unexpectedly. Completing this worksheet can help you budget for expenses coming down the pike and reduce the chance of excess or unanticipated expenses throwing your budget – and subsequently your long-term goals – off schedule.

CLIENT: \_\_\_\_\_ CO-CLIENT: \_\_\_\_\_

Determine your basic living expenses.

HOME EXPENSES	
Category	Monthly Budget
Mortgage	\$
Equity Line	\$
Real Estate Tax	\$
Rent	\$
Homeowners Insurance	\$
Association Fees	\$
Electricity	\$
Gas/Oil	\$
Trash Pickup	\$
Water/Sewer	\$
Cable/Satellite TV	\$
Internet	\$
Maintenance	\$
Other:	\$
<b>SUBTOTAL</b>	<b>\$</b>

Determine your basic living expenses. Continued on page 2

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## Retirement Reality Check Preparation Worksheet



Retirement projections are a complex set of calculations, and are dependent upon a multitude of details. For us to run meaningful projections it is important that you spend some time collecting the necessary information to provide us with the numbers we need. This is an exercise that we will often run several times prior to your retirement. Completing this process prior to retirement allows you to view where you are at and gives you the ability to adjust your decisions to enable you to ultimately meet and achieve your objectives of a comfortable retirement.

Please provide the following information:

1) At what age would you like to retire?	
2) What are your anticipated costs and expenses in retirement? <i>Tip: Please see the attached budget worksheet.</i>	
3) What average projected annual return would you like to use for your calculations?	
4) How long do you want to project retirement income? <i>Tip: This projection can be based on your current health or taking an average of how long your parents lived.</i> <i>Tip: Note that our biggest costs in the future could be full time care.</i>	
5) What annual dollar commitment are you willing to make towards your retirement funding?	a. RRSP/SPRRSP or IPP contributions \$ _____ b. Tax Free Savings Account \$ _____ c. Non-Registered Investment Account \$ _____ d. Insured Retirement Plan \$ _____ e. Annuity \$ _____ f. Long Term Care Policy \$ _____
6) What are your anticipated income sources in retirement, other than your sources here at Raymond James?	a. Company Pension \$ _____ b. CPP (full amount at age 65 or reduced) \$ _____ c. OAS (eligible at age 65) \$ _____ d. Annuity \$ _____ e. Other \$ _____
7) Do you anticipate any lump sum expenses in retirement that we should account for in these projections?	a. What/When? \$ _____ b. What/When? \$ _____ c. What/When? \$ _____

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## Retirement Spending Plan



Name _____			
My Target Retirement Date _____			
Annual Expenses (estimate your annual expenses)			
Housing		Personal	
Rent or Mortgage		Clothing	
Property Taxes		Hair Care	
Homeowner's Insurance		Toiletries	
Water, Sewer, Garbage			
House Repairs & Maint		Education (specify)	
Alarm		Entertainment	
Heat		Recreation	
Electricity		Alcohol, tobacco	
Telephone		Gifts	
Cell Phone		Other (specify)	
Internet			
Cable			
Household Expenses		Dependent Children	
Food		Clothing	
Meals Outside Home		Hair Care	
Furnishings, Equipment		School Fees & Supplies	
Condo Fees		Entertainment	
Other (specify)		Recreation	
Vehicle Expenses		Activities & Lessons	
Gas & Oil		Gifts	
Car Insurance		Insurance	
Licence Fee		Debt Payments	
Parking		Line of Credit	
Repairs & Maintenance		New Car	
Lease Payment		Miscellaneous	
Other (specify)		Charitable Donations	
Insurance		Pet Care	
Life Insurance		Newspapers, Publications	
Health Plan		Support Payments to Others	
Dental Care Plan		Reserve for Income Tax	
Critical Illness		Travel/Vacation	
Disability Insurance		Trip Expenses	
Long Term Care			
Sub-Total, Column 1	\$	Sub-Total, Column 2	\$
Total Expenses	\$		

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# Understanding Your Spending

*Differentiating between your unique needs and wants.*

## NEEDS

### Essential Expenses, e.g.,

- Mortgage
- Insurance
- Food
- Clothing
- Healthcare
- Retirement Savings

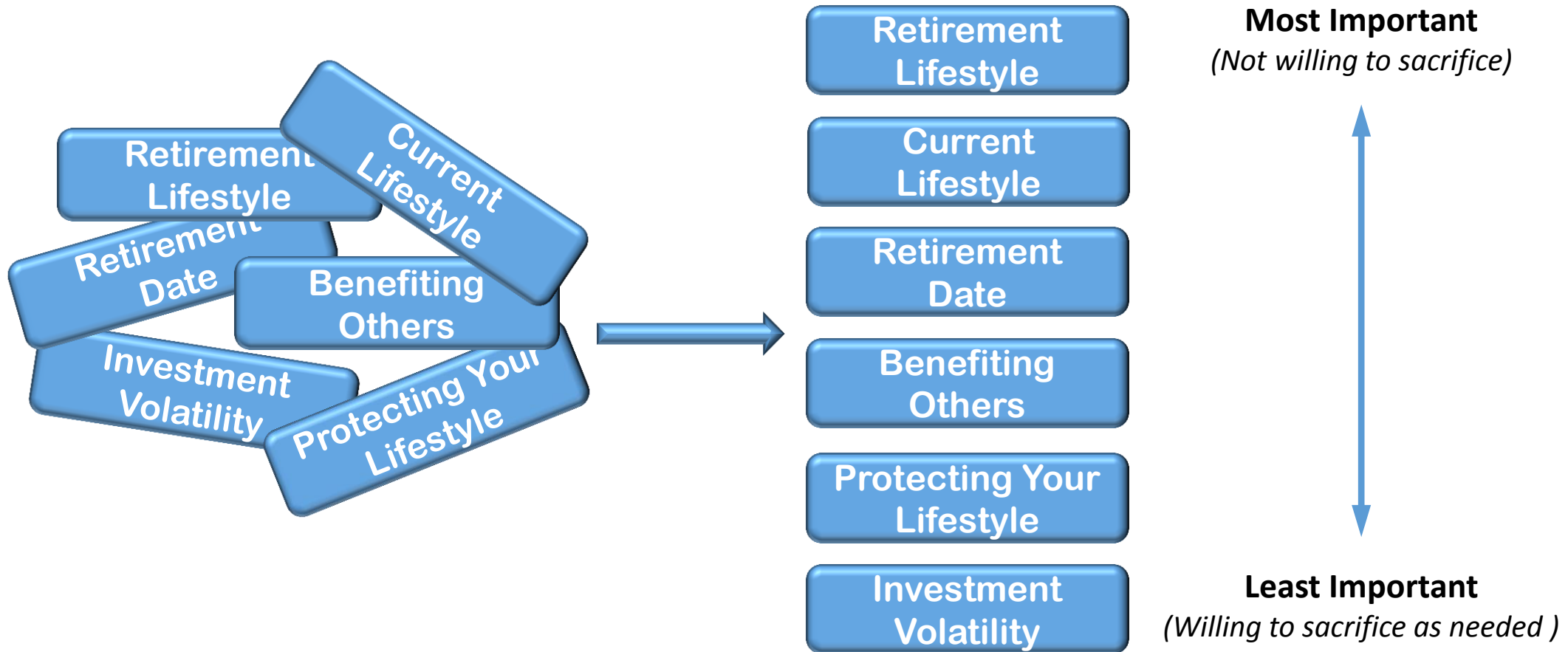
## WANTS

### Non-Essential Expenses, e.g.,

- Travel
- Entertainment
- Club memberships
- Charitable giving
- Legacy for heirs



# Prioritize Retirement Objectives



# Step Two - Design



# Your Wealth Planning Needs

Helping and Protecting Family	Help Children	Assist Parents	Enjoy Lifestyle	Education	
Protecting and Enjoying Lifestyle	Replace Income	Family Security	Personal Health	Long-term Care	Protect Business
Achieving Financial Comfort	Manage Nest Egg	Generate Income	Pay Less Tax	Save for Future	Lifestyle Income
Plan for Expected and Unexpected	Clarify Vision	Health Challenges	Manage Change	Housing Options	Enjoy Lifestyle
Building a Legacy	Wills and Instructions	Preserve Estate	Direct Estate	Give to Charity	Living Legacy



# Your Saving Strategies



- **Pay Yourself First – Automatically**
- **TFSA, RRSP, Investment Account, RESP**
- **Work Pension, CPP, Share Purchase Plans**
- **Tax Minimization**





# Investment Strategy

## *Is It Suitable For You?*



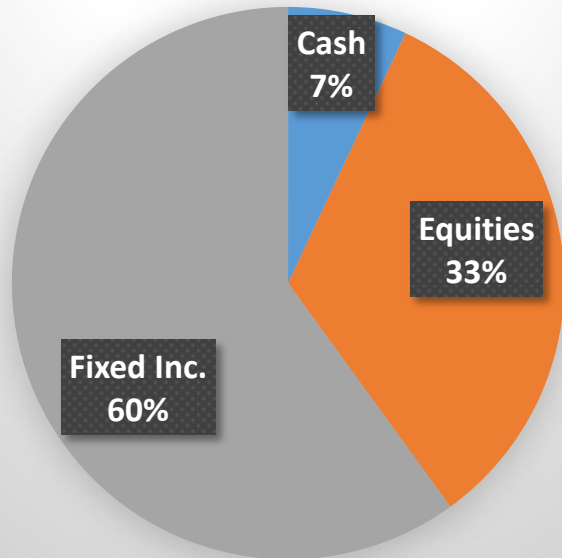
1. Risk Tolerance
  - *It will go down*
2. Time Horizon
  - *Until When?*
3. Return Objectives
4. Portfolio Strategy – Asset Mix
  - *Conservative*
  - *Moderate*
  - *Growth*
5. Other Considerations



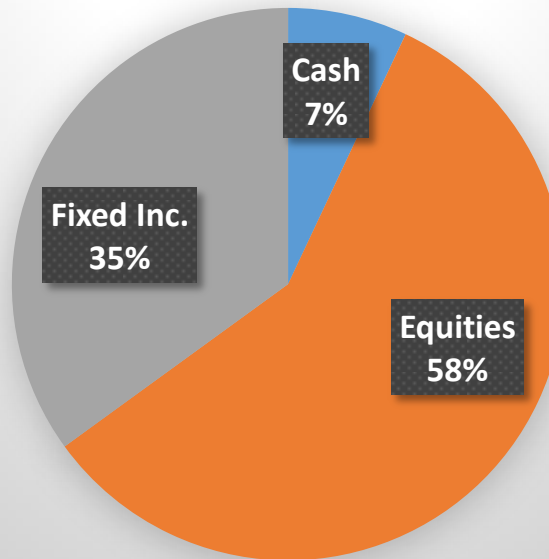
# Sample Investor Profiles

## Asset Mix

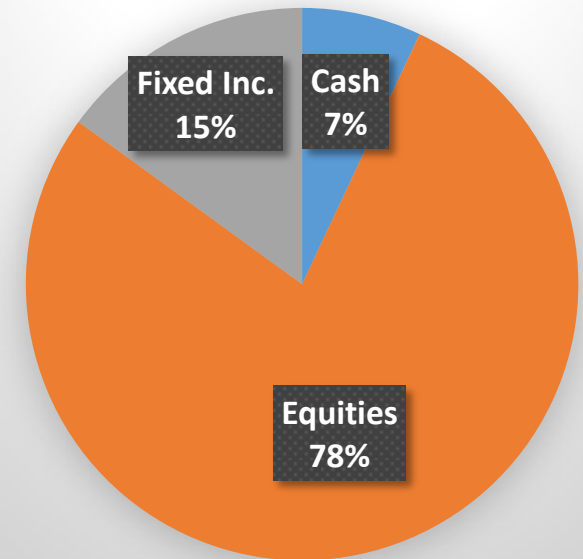
Conservative



Moderate



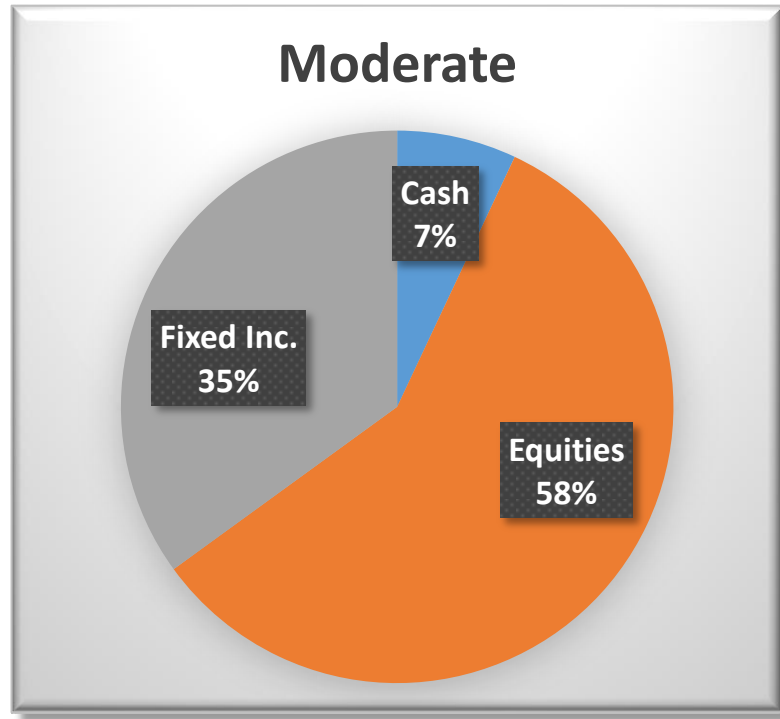
Growth





# Investor Profiles

## Geographic Mix



- Canada
- United States
- International
- Emerging Markets



# Step Three - Deploy



# Begin To Execute Your Plan



- Don't try and do it all at once. Start with, where are you today?
- Follow your prioritized timeline
- Create accountability
- Remember ... There will be bumps in the road



A photograph of Mike Tyson in a boxing ring, wearing red gloves and boxing trunks, in the middle of a fight. He is shirtless and has a determined expression. The background is dark with some blurred lights.

EVERYBODY HAS A **PLAN**

UNTIL THEY GET  
**PUNCHED**

IN THE  
**MOUTH**

*Mike Tyson*



# Your Portfolio Will Go Down

## Chance of Significant Drawdown For All 10-year Time Periods From 1950 - 2017

Loss	Percent of Periods
Down over 5%	100%
Down over 10%	100%
Down over 15%	100%
Down over 20%	88%
Down over 25%	79%

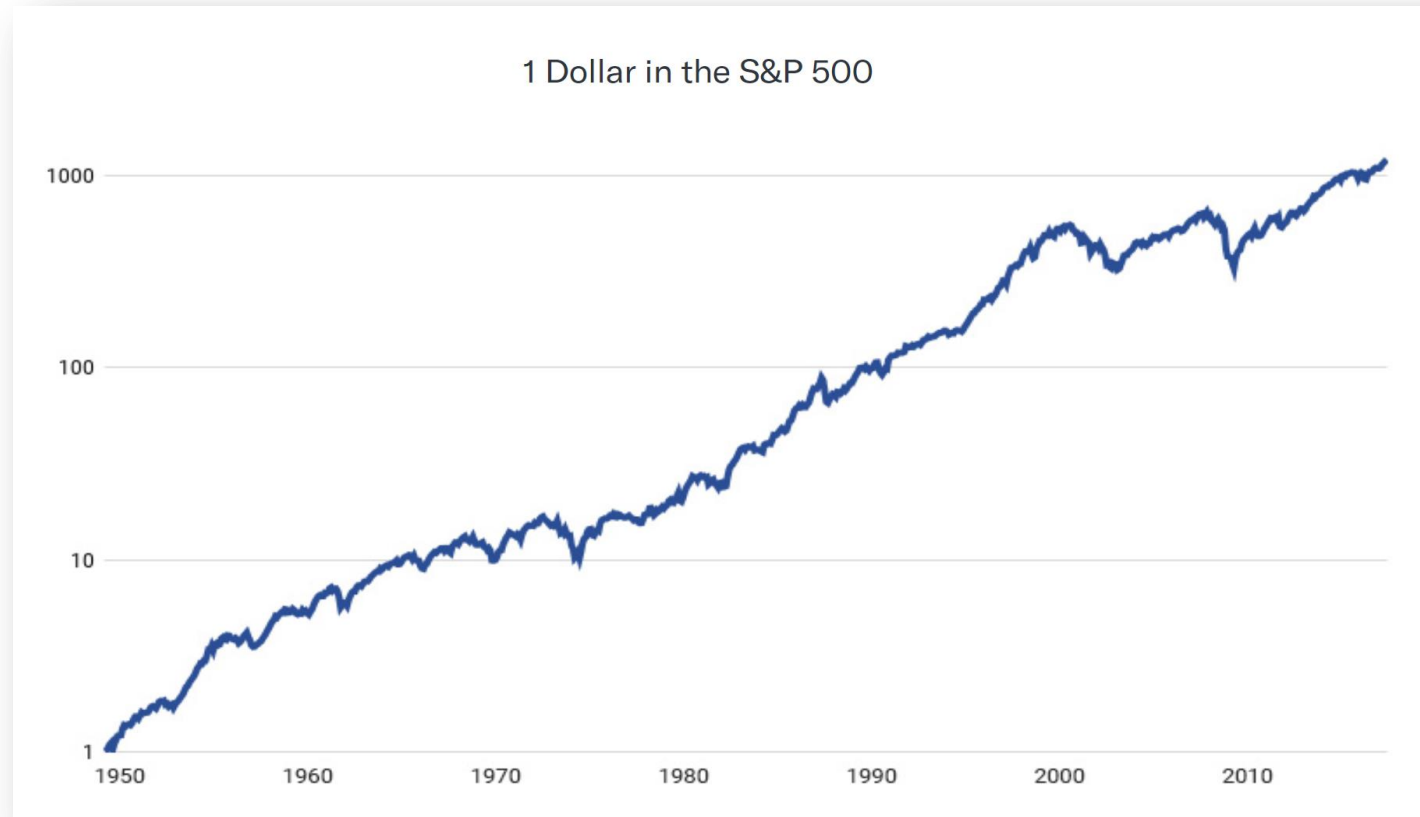
Source: [www.betterment.com/resources](http://www.betterment.com/resources)





# Stick With Your Plan

## *Focus On The Long-Term*



Source: Robert Shiller, Yale University. Includes reinvested dividends



# Back To Step One - Discover



# 5 Biggest Investor Mistakes

- **Putting All (or too many) Eggs in One Basket**
- **Getting Swept Up in Market Euphoria**
- **Reacting Negatively When Market Drops**
- **Failing to Rebalance Your Portfolio**
- **Ignoring Fees and Taxes**





# Where do you start?

- **What will drive you to action?**
- **Start with your WHY!**
- **What pieces of your puzzle are missing?**
- **Where are you today?**
- **Take the first step. Either on your own, or find an advisor you can trust.**



# Tools To Help You Get Started



About us...

Questionnaires...

Checklists...

Helpful Information...



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## A LIFETIME PARTNERSHIP

A successful journey through life requires hard work, sound decision-making and financial strength. In the years ahead, you'll uncover new opportunities and face fresh challenges – and we'll be there to help you manage your financial plan throughout your lifetime.

**LIFE WELL PLANNED.**

**Mark Shimkovitz** HBA, CIM, PFP

*Vice President, Private Client Group*

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