

May 2013

Spring Into Action to Remove Debt from your Retirement Horizon

You are likely one of many Canadians looking forward to retirement. According to a recent “Retirement Myths and Realities” poll by RBC, 71% of survey participants feel positive about retirement, however over one third worry that they will not have enough money to support their lifestyle.

High levels of debt continue to exist for many Canadians, even during retirement. In fact, the 1st annual poll by RBC showed that 39% of Canadians over age 50 retire with some form of debt; moreover, 22% started retirement with a mortgage on their home, and, 28% chose to take on additional debt during retirement.

We recommend that you take the following steps to ensure successful money management:

1. Complete a monthly budget worksheet identifying all expenses and highlighting your largest expenses – for example a mortgage, line of credit, car payments, credit card debt, etc.
2. Identify the length of time until retirement and the ideal time frame you would like to pay off the debt in advance of retirement.
3. Approach your lender to develop a strategy to reduce or eliminate debt prior to retirement, if possible.
4. Speak to your financial advisor to implement a forced savings plan that will enable you to accumulate funds in order to have the savings required to meet these goals.

To discuss money management tips and retirement planning further, you may contact Reuter Benefits via telephone at 1-800-666-0142 or by email at retire@reuterbenefits.com.