



What are some of the secrets of success?

Read on for tips and suggestions, big and small!



TO YOUR GOOD HEALTH... AND A HEALTHY RETIREMENT!

This issue of Living in Retirement is devoted to all things healthy. Whether it's looking after personal finances or your mental and physical well-being, there are many things you can do to help ensure that your retirement is healthy and comfortable.

Preserving your finances

As with most things in life, keeping your finances healthy requires some time and effort. But it's worth the investment as some planning and preparation will pay off in your golden years.

Of course, your financial needs change in your retirement years. So what should you start thinking about now? Here are four things to add to your *healthy retirement* checklist:



- 1 **Create a spending plan.** Seeing your savings decrease in retirement can be a little scary. Creating a plan for spending your money in retirement can bring you some comfort. Essentially, this involves looking at your savings and all of your sources of income and thinking about how long you'll need your savings to last. Try to set monthly or yearly targets so you don't end up spending too much or being unnecessarily frugal.
- 2 **Consider your needs.** A good place to start is with the items you required in your working years that you may not need any more. This might include a larger car or home or perhaps a landline if you have a cell phone. Small changes can add up to a lot. You may find that you can reduce or eliminate expenses in some areas to free up money for things like health care expenses.
- 3 **Consolidate debt.** You may want to consider debt consolidation or refinancing to reduce monthly payments on credit cards, a mortgage or other loans. What you save on interest is money you can put into your nest egg!
- 4 **Capitalize on your home.** A large home can prove to be too much responsibility in retirement, which is why you may want to downsize. Downsizing has an added upside as it can add to your retirement savings. You also have options if you choose to stay where you are. If savings are low and you need to cover expenses, you can leverage the wealth you've accumulated in your home – your equity – with a reverse mortgage or a home equity line of credit.

Retirement

For when you're on the road

Planning trips and travelling is a great way to stay active in retirement. While you're at it, why not incorporate a special emphasis day or event into your travel itinerary?

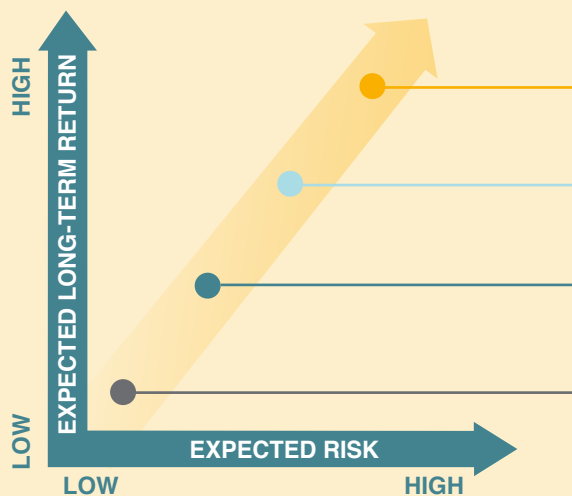
Visit <https://www.adventist.org/en/information/special-days/> for more information about upcoming events across the globe!

Right sizing your investment strategy

When you retire, you have different financial goals. In retirement, it's important to protect your savings and minimize financial risk. That's why it's critical that you review and adjust your investment strategy when you retire. It's also a good idea to get advice from experts like financial planners and investment advisors. The best advice will come from people who know and understand the current state of your finances as well as your unique circumstances.

When you're reviewing your saving and investment strategy, it's helpful to have a general understanding of the types of investment funds you can choose from. To get started, let's think about risk vs. return by reviewing the graph below. You'll see that an expected return comes with a higher expected risk in certain funds (like equities) while other funds (like money market) offer a lower return yet a lower risk.

Risk vs. Return



Equities - funds that invest mainly in common stocks

Balanced - funds that hold a combination of stocks, bonds and money market funds

Fixed Income - funds that hold mainly bonds and other fixed investments

Money Markets - funds that invest in short-term securities, such as treasury bills and commercial paper

Tapering your life insurance

Your insurance needs may change in retirement, especially your life insurance.

Let's say, for example, that you have a life insurance policy of \$33,000 and you pay \$100 a month in premiums. You might be asking yourself whether you should continue to pay these premiums or cancel your policy and save \$1,200 a year.

If you're a financially secure retiree, life insurance may be a product you don't need any more because you're already *insured* with your savings, retirement benefits and government pension. Cancelling your policy will mean more money in your pocket, for today and tomorrow.

On the other hand, if you have beneficiaries who would be negatively impacted by your death, it might make sense to keep your life insurance. It will help to address any income shortfalls caused by your death. Life insurance also helps with estate planning.

Remember, when you cash in a whole life insurance policy, a good portion of the cash value – the cash value in excess of the adjusted cost base – is taxable to you.

What is a reverse mortgage?

A reverse mortgage is a loan that is used to buy a life annuity. The annuity pays monthly income that is tax-free and used by homeowners, typically aged 62 and older, to pay for living expenses and health care.

With a reverse mortgage, you're not required to pay back the loan or any resulting interest until you sell your home. And you use the proceeds from the sale of your home to pay back the loan. Put another way, a reverse mortgage is like gradually selling your home while still living in it.





Retirement

Putting it all together

As important as financial well-being is, maintaining your physical and mental health is just as critical. Having good health in your retirement years is a gift. Thankfully, there's lots you can do to promote it.

Whether it's spending time with your grandkids, traveling or maintaining a presence within the Church community, you have plenty of options. Here are a few ideas to get you started!

Plan a daily routine ▶

You may have left a hectic work schedule behind you, but incorporating a bit of structure into your day helps to promote a consistent lifestyle. As a bonus, planning a daily routine is a great way to make the most of your retirement.

Conquer new and exciting challenges ▶

Why not set a personal goal for yourself and work towards achieving it? Maybe you'd like to learn a new language or finally pick up the saxophone? Because you're not as limited by time and financial constraints, you can afford to get creative!

Participate in Church-related or social activities ▶

Staying active within your community is a great way to pursue a happy and fulfilling retirement. Not only will you have a sense of purpose to many of the things you do, you'll be able to build and foster sustaining connections with friends and family.

Read, read, read! ▶

A daily reading habit of 1-2 hours is highly recommended in your senior years. Whether you're tackling great works of fiction or the daily paper, you're helping to keep your brain sharp. You might also want to try brain teasers like crossword or Sudoku puzzles!

Incorporate a healthy diet and exercise into your day ▶

It doesn't have to be elaborate or overly strenuous, but daily activity and exercise go a long way in maintaining your health and independence. Likewise, you'll never go wrong with maintaining a well-balanced and nutritious diet. As much as you can, incorporate colourful fruits and vegetables into your meals, as well as whole grains, lean proteins and foods that are high in calcium and fibre.

What do you think?

If you have any comments or suggestions about this newsletter, contact us:

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Please visit

www.adventist.ca/retirement for more information.

We appreciate your feedback!

