

# Westside Viewpoints

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ACCUMULATE

PRESERVE

TRANSFER



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- Fee-based portfolio management
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## RETIREMENT QUESTIONS EVERY CLIENT SHOULD ASK

So often, pre-retirees focus on questions such as “Do I have enough savings to retire?” or “How should I invest my money in retirement?” The answer to these questions depends a lot on your retirement vision. How do you see your life evolving in retirement? What sorts of activities will you do to occupy your time? Do you plan to travel, take courses, learn a new skill, or look after your grandchildren? Although these questions don’t involve finances directly, they are essential to planning.

### HOW MUCH DO I NEED TO SAVE?

According to multiple sources, the average retiree will need anywhere from 70 to 85% of their pre-retirement income to maintain the same standard of living when they stop working. Although this basic formula might be useful for someone decades away from retirement, it should not be a substitute for a specific analysis of your current spending and retirement goals.

### HOW MUCH DO I NEED TO SAVE FOR HEALTH CARE?

Many people underestimate how much they will need to set aside for health care expenses and long term care needs. Long-term care insurance is a good way to insure against unforeseen expenses down the road, but also comes with a price tag.



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### **WHEN SHOULD I BEGIN CPP AND OTHER PENSION PAYOUTS?**

The standard age to begin receiving the Canada Pension Plan is 65. However, you can take a permanently reduced CPP retirement pension as early as age 60 or take a permanently increased pension after age 65. Factors to take into account on this decision will depend on your health, history of longevity, cash flow, and marital status, among other things.

### **WHERE SHOULD I WITHDRAW MY INCOME FROM?**

The answer to this question depends largely on your age and pool of assets. For older retirees, it may make the most sense to take the required minimum withdrawals from your registered plans first and make up the difference from other sources. For younger retirees, it might be more tax-efficient to withdraw from non-registered accounts first.

However, no withdrawal decision should be made purely on tax considerations alone. Clients wishing to maximize their estates, for example, may want to preserve assets that have tax or estate-planning advantages. The amount of withdrawals is also important, as you need to know how much you can spend without outliving your savings. In some cases, an alternative strategy to ensuring income sustainability is investing in a guaranteed lifetime income vehicle such as an annuity or segregated fund.

### **Here's a partial list of expenses to consider:**

- Travel – this can be a biggie, since you will have a lot more time on your hands and may consider living in a warmer climate for part of the year
- Hobbies
- Household maintenance/emergencies
- Health care and long-term care
- Charitable giving wishes
- Desires to contribute monetarily to family members – ex), assistance with home purchase, etc.

We are fortunate to have two highly trained financial planners on our team. Whether you are approaching retirement, or are already there, you will find a financial planning session extremely worthwhile and surprisingly comforting. Our financial planners are available to meet with you at your convenience to discuss all these issues and more. If you haven't already done so, we highly recommend that you call us today to book an appointment. Contact Michelle Lee at 604-713-2742 or [michelle.lee@rbc.com](mailto:michelle.lee@rbc.com).



# LIFE IS TOO SHORT TO DRINK CHEAP WINE....OR IS IT?

Some say that “life is too short to drink cheap wine,” but the studies show that expensive wines aren’t always better.

When you set out to buy good wine, how do you determine what’s good? Hopefully you are not relying on the price tag alone to make your decisions. Expensive wine isn’t necessarily better than wine at lower price points, and even if it was, as the studies below show, we probably wouldn’t be able to tell.

In fact, a professional sommelier recently outlined the characteristics that make a wine high-quality, and price wasn’t one of them. Numerous studies have indicated that price, quality and enjoyment of wine are essentially unrelated.

Here’s what researchers have discovered about wine:

## **WE ARE OVERLY RELIANT ON WHAT WE SEE IN THE GLASS**

In a wine tasting experiment conducted by Frederic Brochet and Denis Dubourdieu in 2001, 54 tasters described a white wine disguised red by an odorless dye as red wine. Similarly, tasters were offered red wine in a blind test where they couldn’t see what they were drinking and the majority did not know whether they were even drinking red or white wine.

## **WITHOUT THE PRICE TAG, WE HAVE NO IDEA WHETHER A WINE IS CHEAP**

In a blind taste test conducted by Hertfordshire University psychologist Richard Wiseman in Scotland, it was found that identifying a wine as cheap or expensive has about the same odds as flipping a coin: 50/50.

## **WHEN WE KNOW A WINE IS EXPENSIVE, WE LIKE IT MORE**

A 2007 study by Hilke Plassmann

and John O’Doherty of the California Institute of Technology, found by scanning wine tasters with an MRI that wine believed to be expensive was more enjoyable.

## **SURPRISINGLY, DISCLOSING A LOWER PRICE DOESN’T MAKE US LIKE IT ANY LESS**

Much is gained if the wine is disclosed to be expensive, but little is lost if cheap. Joan Almenberg and Anna Dreber of the Stockholm School of Economics found that hosts offering

wine to guests can safely reveal the price without hampering enjoyment.

## **WOMEN ARE MORE IMPRESSED BY EXPENSIVE WINE**

Another interesting finding from the Almenberg/Dreber study above is that disclosing the high price before tasting the wine produces considerably higher ratings, although only from women.

The bottom line is that if you find a wine that you like and can comfortably afford without a twinge of budget guilt, that’s all that really matters.

## HERE ARE A FEW OF OUR FAVORITES:

### **SUMAC RIDGE PRIVATE RESERVE SAUVIGNON BLANC \$13.99**

Tropical aromas first emerge from the glass, followed by fresh citrus top notes leading into ripe gooseberry with a hint of fresh-cut grass on the finish. Drink this wine young and bright – appreciate the aromatic affinity between this Sauvignon Blanc and cold foods such as goat cheese, cucumber and fresh mint.

### **WYNDHAM ESTATE BIN 555 SHIRAZ | \$16.99**

The alluring ripe fruit flavours of rich plum and peppery notes are complemented by some oak and fine grained tannin. Ideal for steak, chops or game.

### **LA CREMA SONOMA COAST CHARDONNAY | \$26.99**

This white opens with bright aromas of citrus, yellow apple, hints of butterscotch and subtle floral and oak notes. The palate adds flavours of yellow plum, lemon curd and citrus fruits. Lingering spice and well-balanced acidity create a lovely vibrancy in this winter white. Complementary food pairings include pork loin, chicken, veal and shrimp.

### **CABERNET SAUVIGNON EDGE NORTH COAST | \$29.99**

Orange peel melds nicely with the black raspberry fruit on the nose of this red. The dark fruit, spice and tannins are well-balanced with a good mouth feel and structure. The wine appears as a lush ruby, rich in colour and pleasing to the eye. Aromas of sweet tobacco and ripe black cherries rise from the glass, immediately greeting the nose. Flavours of black cherry tart, blackberries and wet stone excite the palate and encourage a second taste. This medium-bodied wine’s lingering finish is complemented by the integrated, round tannins. Enjoy with rich, marbled beef from the grill or slow-cooked beef short ribs or lamb shanks. Drink now through 2017.

# WHAT'S NEW AT THE WWMG?

Did you know that besides being an excellent investment associate, Michelle is also a very talented artist?

She began drawing, painting and creating at an early age. Her love of art led her into the world of traditional Chinese painting over 20 years ago, studying under the guidance of the late Letty Shea as a hobby in the Lingnan School of Chinese painting. Her paintings place great emphasis on the harmony between positive and negative space and balances rich and vibrant Chinese ink and watercolours on xuan paper, better known as rice paper.

Michelle recently exhibited her artwork at This Open Space in Chinatown on September 6.



Michelle at her art show

What a wonderful summer we were treated to here on the Westcoast. We hope you had a chance to get out and enjoy our natural surroundings. Here are a couple of pictures taken on the top of Whistler and the views from the top of the new Sea to Sky Gondola.



View of Howe Sounds from the top of the Sea to Sky Gondola

Kate, Paul and Carly on the top of Whistler Mountain

*"The purpose of art is washing the dust of daily life off our souls"*

— PABLO PICASSO

## CHECK OUT OUR NEW WEBSITE: [WWW.WESTSIDEWEALTHMANAGEMENT.CA](http://WWW.WESTSIDEWEALTHMANAGEMENT.CA)

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