

Portfolio Advisor

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Aging in place: Effective planning can help maximize your options - and peace of mind

With the COVID-19 pandemic having a terrible impact on older Canadians, especially those living in long-term care, Canadians have dramatically changed their views about where to spend their later years. In a recent survey*, the National Institute on Ageing (NIA) found that 60% of all Canadians and 70% of those aged 65+ now have a different perspective about living – or arranging for a loved one to live – in long-term care.



More than ever, home is where the heart is

The survey also showed that 91% of all Canadians – and 100% of Canadians aged 65+ – now plan to live in their own homes as long as possible. But while the desire to remain in one’s own home is very understandable, especially given the impact of the pandemic, that decision can have major financial consequences. These include:

- The potential loss of a major source of investment capital – your principal residence – to generate income to support living expenses and spending.
- Increasing maintenance costs and rising homeowner taxes affecting your ability to support retirement income needs.
- Significant renovation costs – which are likely to rise over time – to “age-proof” a home (e.g., access ramps, lift chairs, etc.).
- In-home health care support (also likely to cost more as time passes).

Planning for any eventuality can bring peace of mind

With Canadians living longer than ever before**, it is important to plan ahead for a potentially much longer retirement. No one can predict exactly how they will age, so make sure your plan has the flexibility to adapt and adjust as required. Here are some things to bear in mind:

- 1. Investment management:** Proper portfolio structure and risk management can help ensure that your savings continue to grow over time – especially above the rate of inflation – and create consistent cash flow to meet your needs.
- 2. Retirement planning:** Anticipate changing demands on your cash flow over time, and ensure appropriate levels of liquidity to meet emergency and/or unexpected spending.
- 3. Financial management:** Organizing your financial affairs is important, including structuring bill payments (e.g., taxes, utilities), reviewing and securing financial documents (e.g., account statements), and establishing relationships with key service providers (e.g., local bank branch manager).
- 4. Estate planning:** Having appropriate Powers of Attorney and an up-to-date Will is important, as are Health Care Directives to ensure your caregivers and loved ones understand your wishes should you become incapacitated.

Planning for our later years can be challenging. Getting the support, expertise and service you need to live how and where you wish is important to achieving peace of mind. Talk to us about how we can help.

*Pandemic Perspectives on Ageing in Canada in Light of COVID-19: Findings from a National Institute on Ageing/TELUS Health National Survey, National Institute on Ageing (July 2020).

**Life expectancy tables, Statistics Canada (2019).