



Wealth  
Management



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# Wealth stage plans

How your stage of life impacts the wealth planning process

In wealth planning, it's important to recognize that your circumstances, goals and objectives are unique to you. As such, your plans or projections need to be specific to your situation. In general, there are three main wealth stages individuals move through over the course of their lives: early savers, mid-life accumulators, and preserver/spenders. Depending on the stage you're in, there may be different priorities to focus on in your planning.

## The “early saver”

An early saver is someone who's getting established in a career, perhaps buying a home, and may be getting married or starting a family. In general, as an early saver, objectives generally revolve around earning and saving, and growing assets (e.g. by reducing debt and by investing).

During this stage, gaining a clear picture of your financial situation (e.g. income, expenses, assets and liabilities) and establishing your goals is the first step. With that information, a plan can be tailored to help you achieve your desired objectives, now and for the future.

## Planning tips if you're an “early saver”

- Think about and record your short-term and long-term financial goals. Make note of how much each will cost, when you'd like to accomplish each one, and how important each is to you (prioritize).
- Establish a budget that factors in all of your incomes, savings and expenses.
- Set up a pre-authorized savings plan to help prioritize your savings.
- Create a list of your assets and liabilities (with interest rates and payment schedule).

## The “mid-life accumulator”

The mid-life accumulator is generally an individual who has a stable career, may be a homeowner, and might be thinking about retirement, tax and investment strategies, and estate planning.

During this phase, your financial situation may be more detailed or complex than it was as an early saver. As your family grows, your career progresses, and based on other individual circumstances, your goals and priorities may change. This stage generally also marks the peak earning years for many; with that in mind, objectives may be to maximize savings and reduce debt.



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and investment-based income to fund anything from healthcare needs to travel. It's also important to have thorough knowledge of your pension income and government benefits. At this stage, the process of estate and wealth transfer planning becomes more of a priority.

### Planning tips if you're a "preserver/spender"

- Revisit your investment portfolio to ensure it's structured to meet your income needs and estate goals.
- Consider the potential for care or other health-related needs and how those costs may impact your overall financial picture and your wealth transfer intentions.
- Take the time to review your estate planning documents and carry out any further planning as needed.
- Update or create a list of all of your assets. Keep documents in a secure location.
- Discuss your wishes with a trusted family member or friend, and consider adding a trusted contact person to your investment account documents.

### Planning tips if you're a "mid-life accumulator"

- Review your short- and long-term goals to ensure your investment mix is appropriate.
- See where you may be able to increase your savings in RRSPs, TFSAs or RESPs. In general, try to make your retirement savings a priority and maximize your contributions where possible.
- Consider the impact of income tax on your income and investment returns. There may be credits and deductions that can reduce the amount of tax you pay annually.

- Revisit your estate plan, for example your beneficiary designations on your registered investment accounts, your Will and Power(s) of Attorney (called a Mandate in Quebec).

### The "preserver/spender"

The preserver/spender is an individual who is retired from their main career or working less, and is using their accumulated wealth to generate income as a salary replacement.

Properly managing accumulated assets is important for preservers/spenders, as they may rely on savings

### The planning process

For each life stage, the planning process should involve identifying your goals and objectives, and documenting your current financial situation. Those details may be used, along with various assumptions, to create a personalized projection or comprehensive wealth plan to map out your progress and help you achieve your goals.

