



People who care, Plans that perform

# Perspective

## Where will retirement take you?



You're driving down the highway, enjoying the rush of speed, and suddenly the fuel light turns on. You begin to feel anxious. How long can you keep driving? What if you run out of gas? Will you reach your destination?

In your car, the solution is as close as the nearest gas station. In your retirement, it's not that simple. There are no "money stations" where you can fill up your savings. There is no tow truck ready to help pull you through next month's expenses.

That's why it's important to make sure your "money tank" never runs out. An effective way to help ensure that your fuel supply for retirement doesn't run short is to incorporate solutions that provide guaranteed lifetime income into your retirement plan.

### Challenges on the road to retirement

In balancing responsibilities between parents and children, today's generation of Canadians approaching retirement is facing unique challenges. Here are some of the twists and turns in the road that many Canadians confront as retirement approaches:

- Aging parents are living longer and require extra care and support
- Children living at home longer can strain resources
- Managing high levels of debt can become a burden when approaching retirement
- Longer life expectancies can delay the transfer of wealth from generation to generation

### Mapping your route

Putting a well-designed financial plan into action can help you overcome these roadblocks and sustain an enjoyable standard of living throughout retirement.

But planning isn't simply about the amount of savings you have on the day you retire. Yes, it's important to accumulate as much as you can while you're working. But more significant than any total dollar amount is how you decide to invest and manage your money leading up to and in retirement. Depending on your circumstances, you may not need, say, a million dollars to live comfortably during your entire retirement. You do need a well thought-out financial strategy.

### Guaranteed income for retirement

You want to enjoy your retirement and spend time doing what you love; perhaps that means travelling to exciting destinations, picking up new hobbies, golfing or relaxing at the cottage. Many activities come with a price tag, above and beyond what you'll need for regular day-to-day expenses.

For the essentials, it's a good idea to make sure you have enough income that is guaranteed for life – so you never run out. Guaranteed sources of income may include government benefits such as the CPP/QPP and OAS, as well as defined benefit pension plans offered by employers. Other specialized products are also available to help meet this need, such as cashable and non-cashable annuities. In addition, insurance companies offer a variety of flexible solutions that provide the option of guaranteed income designed to last as long as you need it to.

You can spend income that is guaranteed for life with confidence, knowing that the next payment will be deposited into your "money tank." And, with your essentials covered, you can put surplus guaranteed income and income from non-guaranteed sources, such as investment accounts, towards pleasure and entertainment that will make your retirement that much more enjoyable.

*Continued on page 2*



Page 2  
Avoiding the money talk?

Page 3  
Community Business Profile

Page 4  
Lifestyle Tips

## RETIREMENT PLANNING IS DIFFERENT TODAY

### YOU CAN'T SOLELY RELY ON THE SAFETY NETS OF THE PAST

Previous generations relied on Canada/Quebec Pension Plan (CPP/QPP), Old Age Security (OAS) and defined benefit pension plans to support them for life. Now, especially with longer life expectancies, it's very important to create your own safety net with other sources of guaranteed income for life. Defined benefit pensions have been on the decline for years – and government plans likely aren't enough to support the lifestyles retirees expect.



Working Canadians with defined benefit pensions<sup>5</sup>

<sup>5</sup>Service Canada, [servicecanada.gc.ca/eng/services/pensions/cpp/payments/index.shtml](http://servicecanada.gc.ca/eng/services/pensions/cpp/payments/index.shtml), March 26, 2014. <sup>6</sup>Régie des rentes du Québec, [rjq.gouv.qc.ca/en/retaire/rq/regime\\_chiffres/Pages/regime\\_chiffres.aspx](http://rjq.gouv.qc.ca/en/retaire/rq/regime_chiffres/Pages/regime_chiffres.aspx), April 16, 2014. <sup>7</sup>Service Canada, [servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml](http://servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml), March 26, 2014. <sup>8</sup>Advisor.ca, June 2010.

Running out of money during retirement is simply not an option. Working with your advisor, you can develop a plan that will help ensure that your financial engine has enough fuel to keep your retirement lifestyle humming along.

### OFF TO WORK WE GO... AND KEEP GOING

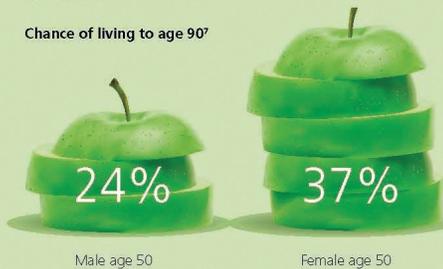
Based on labour force participation rates, many potential retirees are still working in retirement.<sup>6</sup>



### HERE'S TO A LONG LIFE!

Advancements in health care and medicine mean Canadians can expect to live much longer than past generations. Having a source of lifetime income is more important than ever before.

### Chance of living to age 90<sup>7</sup>



<sup>6</sup>Adapted from Statistics Canada, Table 282-0001 – Labour force survey estimates (LFS), by sex and detailed age group, unadjusted for seasonality, monthly (persons unless otherwise noted), CANSIM (database), accessed April 16, 2014. This does not constitute an endorsement by Statistics Canada of this product. <sup>7</sup>Adapted from Statistics Canada, Life Tables, Canada, Provinces and Territories, 2009 to 2011, Catalogue No. 84-537-X – No. 005, March 2014. This does not constitute an endorsement by Statistics Canada of this product.

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## Avoiding the money talk?

Open communication with your partner can help achieve individual and mutual financial goals.

You've had a long day. Your partner has had a long day. You're finally together, with a chance to chat and relax. Let's face it: talking about finances is probably the last thing either of you wants to do.

Many of us hesitate to talk about finances. Differences in values, attitudes and financial priorities may make money conversations a source of stress and conflict. Although it sometimes seems easier to avoid the topic, it's important to ensure that you and your partner are aligned and working towards common goals. Some other compelling reasons to have the "money talk" are to:

- Share an understanding of where you are financially, where you want to be and the steps you need to take to get there
- Develop a realistic budget that may include short-term sacrifices on both sides to achieve longer-term dreams
- Make joint decisions on how to spend or save based on your financial goals
- Build a financial plan that encompasses short- and long-term objectives as a couple and as individuals

In addition, being on the same "money page" as your partner is advantageous when working with your advisor, who can then recommend more finely tuned investment and protection strategies.

### Starting the conversation

Here are some tips to help you get started.

**First**, try blocking off an agreed-to time – perhaps half an hour per week over the next month. Treat these meetings as legitimate appointments, not to be preempted by household chores or interrupted by phone calls and other distractions.

**Second**, it's a good idea to set a topic for each meeting. Attempting to address your entire financial life in one session could be overwhelming. You may want to focus on your budget one week, then your short-term and long-term goals, then your debt, then wills and powers of attorney.

**Third**, it's best to come prepared. For example, if you're talking about your budget, bring your monthly bills, bank account statements and a calculator.

**Fourth**, make a commitment to see these meetings as an opportunity to work through challenges together – not to attribute blame or become defensive.

Accepting each other's individual goals, and establishing joint goals as well, can bring you closer as a couple and increase your ability to reach your financial objectives.

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## Community Business Profile



My innate passion for health and well-being and the joy of working with people inspired me to pursue a career in Naturopathic Medicine. Through years of private practice, corporate wellness and community health programs, I have witnessed massive transformations in the health and vitality of the KW community.

I have always been a strong advocate of prevention and health optimization. I am enthusiastic about educating and empowering my patients and corporate clients to understand and maintain a healthier lifestyle. This fall I had the opportunity to bring my corporate wellness program to Arca. The Arca team learned ways to improve energy, mental clarity, mood, sleep, reduce stress, detoxify and optimize their overall health.

I have worked with small businesses, large corporations and the public sector. I provide dynamic, practical and hands-on solutions to suit the specific needs of any corporation. Each program is designed to educate, empower, and demonstrate key lifestyle strategies that are essential to growing a strong and happy workforce while improving the bottom line of the corporation.

Implementing my corporate wellness programs as an integral part of your health and safety curriculum will strengthen long-term relationships with your workforce and offers the most cost-effective long-term strategy for the control of chronic disease and reductions in health-care costs, short-term disability, absenteeism and improve overall corporate well-being.

In 2014 I joined Fiddleheads in the opening of a new clinic, True Wellness, and rebranded myself to embody all the areas of health service I love and provide. Check out my website for more information on my private practice, community programs (KW Cleanse, and Weight Loss & Lifestyle Program) and corporate wellness. Please contact me for a free consultation on how to bring corporate wellness to your team, and the next time you're in to visit Arca be sure to ask them about the work I am doing with their team.

Yours in good health,  
Dr. Kristijana Rakic,  
*Naturopathic Doctor*

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In order to offer networking opportunities to our clients and business partners, we feature one business in each newsletter. If you would like your business to be profiled, please contact Rose Frim at (519) 745-8500 or by email at [rfrim@arcafinancial.com](mailto:rfrim@arcafinancial.com).

### Holiday Gala

Thank you to each of you who joined us for our annual Holiday Gala on December 11th. We appreciate your taking the time to stop in and celebrate with us and add your ornament to our Charity Tree. This year we raised \$2,440.00 for Family & Children's Services of the Waterloo Region.

If you would like to receive the newsletter by email rather than paper, please let us know by emailing [inquiries@arcafinancial.com](mailto:inquiries@arcafinancial.com) and stating 'newsletter by email' in the subject line. We can all do our part for the environment.



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*People who care,  
Plans that perform*

A bend in the road  
is not the end of the road  
unless you fail to make the turn.

- author unknown

**Remember to 'spring forward'  
and change your clocks to  
Daylight Saving Time on  
Sunday, March 8th, 2015 at  
2:00am.**

**Please note our office will be  
closed on:**

Fri, April 3<sup>rd</sup> – Good Friday  
Mon, May 18<sup>th</sup> – Victoria Day

**Regular Office Hours:**

8:30 am to 5:00 pm  
Monday-Thursday  
8:30 am to 4:00 pm  
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## Lifestyle Tips

### The Power of Yoga

Ancient practice shows promise for those looking to manage stress and anxiety.

Feeling stressed? A little run down? Or maybe you're just bored with your gym routine. There is an ancient practice that has been shown to provide important health benefits that you may want to try: yoga.

Yoga is believed to have started in India over 4,000 years ago. It combines physical poses, stretching exercises, controlled breathing and relaxation techniques. Many participants report that when practiced regularly, yoga helps them experience increased relaxation and contributes to a greater sense of well-being. The ability to help manage stress is important, since chronic stress is believed to play a role in many illnesses. This helps explain why yoga can play a complementary role in some types of therapy.

#### Health Benefits

While still in their infancy, scientific studies on yoga suggest a number of measurable health benefits, including positive effects on heart rate, blood pressure, anxiety and depression. Yoga may also help people with chronic lower-back pain by improving function and increasing mobility.

If you have high blood pressure, glaucoma or sciatica or are pregnant, it is important to speak with your doctor and instructor before practicing yoga as there are certain poses and positions that you will want to avoid.<sup>1,2</sup>

#### One person's experience with Yoga

Rosemary Frim, a Registered Classical Yoga Teacher with Yoga Alliance, went to her first yoga class when she was 18 years old. She has practiced yoga almost daily ever since, "As our instructor guided us through breathing and relaxation techniques, there were tears from some of the participants as they found themselves really letting go of the stresses and anxieties they had become so used to carrying. I discovered that there was something uniquely personal when practicing Yoga." Yoga provides us with the tools to feel more relaxed and grounded.

The physical benefits of Yoga poses (asanas) help keep limbs flexible, strengthen muscles and improve balance. "Yoga has not only helped me maintain focus in stressful times, but beyond a doubt, it has helped me to stay active, energetic and positive through the years. Yoga can be utilized at any time, at any age, and in any state of health - it's never too late." Yoga asanas can be adjusted to suit any physical limitations. Meditation is a very important component of Yoga. Even just a few minutes of sitting still, and using the breath to quiet the mind can help rejuvenate body, mind and spirit.

Always check with your doctor when starting a new exercise program. Let your instructor be aware of any health issues, so they can personalize your experience with yoga and make it a happy and fulfilling one! Namaste.

<sup>1</sup> Get the facts: yoga for health. National Center for Complementary and Alternative Medicine.

<sup>2</sup> This content is provided courtesy of *Solutions* from Manulife.

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