

Video transcript

Solutions

Protecting retirement savings

A circle with a 55 year old person appears in the frame.

Voice over: The average 55 year old Canadian can expect to live to the age of 84. That's nine years longer than in 1925.¹

A bubble appears to the right with the words "9 years longer" and to the left with a picture of a newspaper and finally a picture of a calculator at bottom right.

While this is great news, it also means that you will need to account for those years financially. So how do you plan for this?

Question marks replaces the images of the calculator, newspaper and the words "9 years".

Volatile markets can wreak havoc on savings. A big loss in your portfolio with a short time to retire may not allow your investments to recover before you need the retirement income.

A new image of a stormy sea replaces the person in the centre of the frame. At the top right a bubble appears with a line graph going down and at top left, an image of a clock. Finally a coin appears to float in the sea, but then sinks.

Inflation can also be detrimental to retirement savings. For example, a cart of groceries that cost \$100 in 2005 now costs \$122. That's a 22% increase! When inflation rises, your savings buy you less.²

A set of scales now appears on screen. A basket of groceries drops onto left scale. The amount \$100 pops up in the centre. Then a basket of groceries drops onto right scale and \$122 appears.

Fortunately, there are some things you can do with your retirement savings to help provide some reassurance and cover basic retirement expenses.

The person appears at centre once again, with an image of a lock at top right, and an image of dental tools at top left.

¹ Yves Decady and Lawson Greenberg, "Ninety years of change in life expectancy," Statistics Canada, no. 82-624-X, last modified November 27, 2015, www.statcan.gc.ca/pub/82-624-x/2014001/article/14009-eng.htm (accessed May 7, 2017).

² <http://www.bankofcanada.ca/rates/related/inflation-calculator/>

Let's consider an annuity: based on a one time lump sum payment, annuities can help provide a predictable income stream during retirement. Annuities can be purchased with a portion of your retirement portfolio. They offer protection from inflation and volatile markets.

A funnel appears on the screen labelled "Annuity". A big coin drops into the funnel. The camera moves along the pipe and small "monthly payments" drop out of the taps into piggy banks.

The words "Segregated fund contract" appears on screen, followed by the image of a line graph moving upwards. The line graph flips and becomes a lock.

A segregated fund contract is another option for your retirement portfolio. They are often designed to offer exposure to investment markets while at the same time providing certain guarantees to help support a stable payout during retirement.

The person reappears in the centre of the screen, with the images of a lock, the "Annuity pipe" and calculator around him.

There are many ways to plan for retirement. The best way is to speak to your advisor.

Image of a telephone making a call. Text on screen: Speak to your advisor.



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