

Planning for the End of the Rainbow



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March: a time of great commitments. Commitment to spring breaks. Commitment to cold weather complaining and spring dreaming. Commitment to shamrock headbands and “Kiss me -- my father’s second cousin was Irish!” shirts. But you don’t need to rely on the luck of the Irish to save for your retirement.

In my daily experience, I see a lot of Welland-area members who struggle with their commitment to saving money. Why?

For my younger members, retirement is often a distant dream. Right now they may be focused on finding a job in their field and paying off their student debt. They may also focus on finding money for Starbucks drinks to keep them happy in the process.

But what if I told you that retirement saving is of the utmost importance and it can fit in with your new car loan, student-debt repayments, and Starbucks habit?

Just the Facts

In order to live a comfortable retired life, you need to start saving early. The earlier you start saving,

the more you'll amass by the age of retirement. This seems so simple and yet so difficult to achieve.

If you've been putting off saving for retirement because you are caught up in your daily bills and budgeting, consider this expert advice: When you retire, you will want to afford a similar lifestyle to the one you have today. How will you afford that lifestyle when you have no pay cheque coming in?

Not to worry, my friends. It is not impossible! It may seem like you don't have the money to put away toward your retirement as you are caught up in your daily life, but I'm here to say: YOU DO!

Just the PACs

Every day I help people assess their financial situation and find the right amount of money to put away for tomorrow while living comfortably today.

One of the tools we use to help you commit to a painless-savings plan is a pre-authorized contribution (PAC). A PAC is not a little yellow creature that races along, gobbling up all of your hard-earned income, leaving you running from the ghosts of credit cards. It's an automatic deduction from your bank account. You choose how much to contribute, how often to contribute, and where your contributions are invested. You can contribute weekly, bi-weekly, monthly, quarterly, semi-annually, or annually. Those contributions can be invested in [GICs](#), [TFSA's](#), [mutual funds](#), [regular savings accounts](#), or any combination of these options. In those investments, your contributions earn interest and thus your savings grow like clover in an open field. Ultimately, setting up a PAC helps you build up savings easily, conveniently, AND consistently so you can reap the benefits of that green field when that magical time of retirement arrives.

How the Magic Happens

Perhaps you're thinking, "But Akshat, unless I find a leprechaun willing to give me his pot of gold, how am I supposed to find \$25 every week to contribute toward a dream of retirement." Well, not to worry! That's where I come in to make the magic happen.

Step 1: Come In to Visit.

We have a beautiful new lobby to greet you here at the PenFinancial branch in Welland, but feel free to go to any branch near you. I won't be offended if you choose another [advisor – we're all awesome.](#)

Step 2: Discuss your Savings Goals.

This is where I come in (or whoever you choose to be your lucky advisor). We'll discuss your current life situation and your goals for the future. If you're a recent college-graduate you'll likely

be saving to pay off your student debt before you save too much for retirement. If you've paid off your student debt, perhaps you're saving for a car. No matter what you are saving for at this moment, we'll likely find a way to fit retirement saving into your equation.

Step 3: Calculate Your Net Worth

Again, this is where your lucky advisor comes in handy. We'll review your liabilities and assets and calculate your current net worth together. We'll help you understand this equation so you have a better understanding of your financial picture.

Step 4: Cash Flow Calculator

Together we will assess your cash flow to determine how much you can comfortably contribute in a PAC. We'll list all of your expenses, add in the new car loan payment you're expecting, and then we'd subtract the total from your current income. Voila! The amount you can contribute toward retirement magically appears. It may be \$50/week if you are doing well, or only \$10/week in the beginning. Luckily, I'll be here to help you reassess the amount as your life circumstances change. We'll meet regularly to make sure your PAC amount fits your cash flow and savings needs.

Step 5: Retirement Planning

This is the fun part. If you're 22 and save \$75/week with a PAC, you'll be on the right track toward saving enough money to comfortably retire by the age of 65. That track may include several different turns, including different types of [investments \(such as GICS, or stocks and bonds in mutual funds\)](#). We'll assess your timeline and your life circumstances to find the perfect retirement plan for you today.

Make the Commitment to You

Bring in a list of your expenses, income and investments -- and dream big. With your custom PAC, you'll be set on the path toward filling the pot of gold at the end of your working rainbow. Together, we can help you make a commitment to saving that will have you celebrating like the suddenly Irish pub-goers on St. Paddy's Day.