# Too Much Life at the End of the Money

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You have probably heard the phrase; too much month left at the end of the money. Paying for housing, groceries, fuel, utilities and various child rearing expenses, although very necessary, can put a huge strain on a family when outlays sometimes exceed your income. Fortunately, this is usually only a temporary hiccup in most people's lives.

However, people aged 40-50 years are beginning to face new financial issues concerning not only their immediate family but also their parents. Yes, parents. Increasing life spans are forcing many Canadians in this age bracket to think more and more about the financial requirements of their parent's retirement years. There is a growing likelihood than many of today's seniors will eventually be struggling with the problem of an underfunded retirement plan.

## Many Seniors are Outliving Their Retirement Savings

With more seniors outliving their retirement savings, their children have to consider the need to increase their own savings or increase their working years with a view to providing some type of financial assistance to their parents. The population of 65-plus citizens is expected to double in the next 30 years. Because of this reality, when it comes to calculating retirement income needs, Canadians in the 40- to 50-year-old age bracket may have to seriously begin thinking not only about their own lifespan but also their parent's longevity.

Sometimes, a fact-finding mission may be in order to assess the status of a senior's financial situation. If necessary, a family member may even need to assist an elderly parent with managing their finances in order to ensure that the retiree can enjoy their golden years without too many money worries. This process can also enable the early detection of any unnecessary risks in a parent's portfolio and help guide them to potential solutions.

Nearly half of Canadians are concerned that their elderly parents will not have sufficient money to care for themselves throughout their retirement years. And as lifespans and retirement expenses increase, many retirees are wrestling with the possibility that they won't have much of a legacy to leave behind for children and grandchildren.

## The Possibility of Illness or Incapacitation

As people age, there is always an increased chance of illness or incapacitation. In many situations, there is also the need to assess if a retirement facility would best meet the needs of a parent or grandparent. Depending on the level of care required, senior's facilities can be very costly and the monthly fees can quickly use up savings and pension income that may have been intended for use elsewhere. Exercising a proactive attitude for these eventual possibilities may help soften the blow.

The key to successful money management is regular reviews with a qualified financial advisor who can assist in assessing different types of portfolio risks (volatility, inflation, interest rates, diversification, etc.) and help ensure that both you and your parents have the right investment and insurance solutions in place according to each person's unique circumstances.

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Questions about your retirement plans?

Contact our office! [1]

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