TD Retirement Realities – Atlantic Canada Fact Sheet

Separating Retirement Realities from Myths for Atlantic Canadians

People in Atlantic Canada have a variety of misconceptions about their finances for retirement, from when they should start saving to the amount they will need, according to a recent TD poll.

Crystal Wong, Senior Regional Manager, TD Waterhouse Financial Planning, is available to discuss the results of the TD poll and offer advice for Atlantic Canadians for separating retirement planning and saving myths from reality to help them plan appropriately for their retirement.

Myth or Reality?

Myth: You should focus on eliminating debt before saving for your retirement.

Those in Atlantic Canada are the most likely in the country to think you should focus on eliminating debt before saving for retirement (71% vs. 63% nationally), and 64% feel that you should never retire with any debt.

According to Wong:

- Retiring without any debt may not be realistic for some Atlantic Canada residents.
- It's important to pay down as much debt as possible before retiring, but it's also essential to strike a balance between reducing debt and saving for retirement.

Myth: In an economic downturn it's safer to sell your investments and only put your money in guaranteed investments.

Thirty-five percent of those in Atlantic Canada believe that putting money only in guaranteed investments or selling investments is the safest strategy during an economic downturn.

According to Wong:

- The reality is there will always be fluctuations in the markets, but in times of volatility it's essential to stick to your plan and not react emotionally.
- Just as saving for retirement is a long-term process, having your money in the equity market is a long-term investment.
- An advisor can help you determine the right asset allocation for your portfolio, which will optimize potential returns without exposure to inappropriate levels of risk.

Myth: The older you get, the less money you spend / need for day-to-day expenses.

Atlantic Canadians are the least likely in the country to believe that your expenses decrease as you age (40% vs. 46% nationally).

According to Wong:

- While expenses may decrease as we enter our retirement years, recent surveys of retired Canadians have shown that their daily expenses are higher than they anticipated - this may be because they haven't taken into account everyday expenses such as dental and health care, or unforeseen expenses such as accidents or home repair.
- Work with an advisor to estimate what your expenses will be in retirement, and calculate to ensure that you are saving enough now to pay for these future expenses when you probably will not be generating as much income.

Myth: You don't need to have money in the stock market to grow your retirement nest egg.

Only three in ten (29%) Atlantic Canadians believe that investing in the stock market is an important way to establish a financially secure retirement.

According to Wong:

- With the recent volatility in the markets, you can help protect your retirement nest egg by having a variety of investments and savings products, including equities, bonds, and savings vehicles such as an RRSP or TFSA.
- Your portfolio should also contain a mix of conservative and more aggressive investments, depending on the number of years you have until retirement and your comfort level, which will help you maximize your retirement savings.

About the TD Poll

Results for the TD Poll were collected through a custom, online survey fielded by Environics Research Group. A total of 1,006 completed surveys were collected with Canadians aged 25 – 64 who are not retired, including 130 in Atlantic Canada. Data was collected between November 22 and December 2, 2011.

Contact Information

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