

# Making your money last: 10 principles for living in retirement







# Making your money last

Learn ways to:

- ▶ Discuss the key principles that can help you stay on track in retirement
- ▶ Help ensure your money lasts throughout your retirement





# Making your money last

- 1 Mapping out retirement goals
- 2 Meeting goals in retirement
- 3 Factoring in inflation
- 4 Preparing for healthcare costs and taxes
- 5 Sources of income in retirement
- 6 Canada Pension Plan (CPP) and Old Age Security (OAS)
- 7 Employer pension plans
- 8 Managing a shortfall
- 9 Diversification, annuities and maintaining cash
- 10 Annual reviews



# Meet Susannah and Leyton

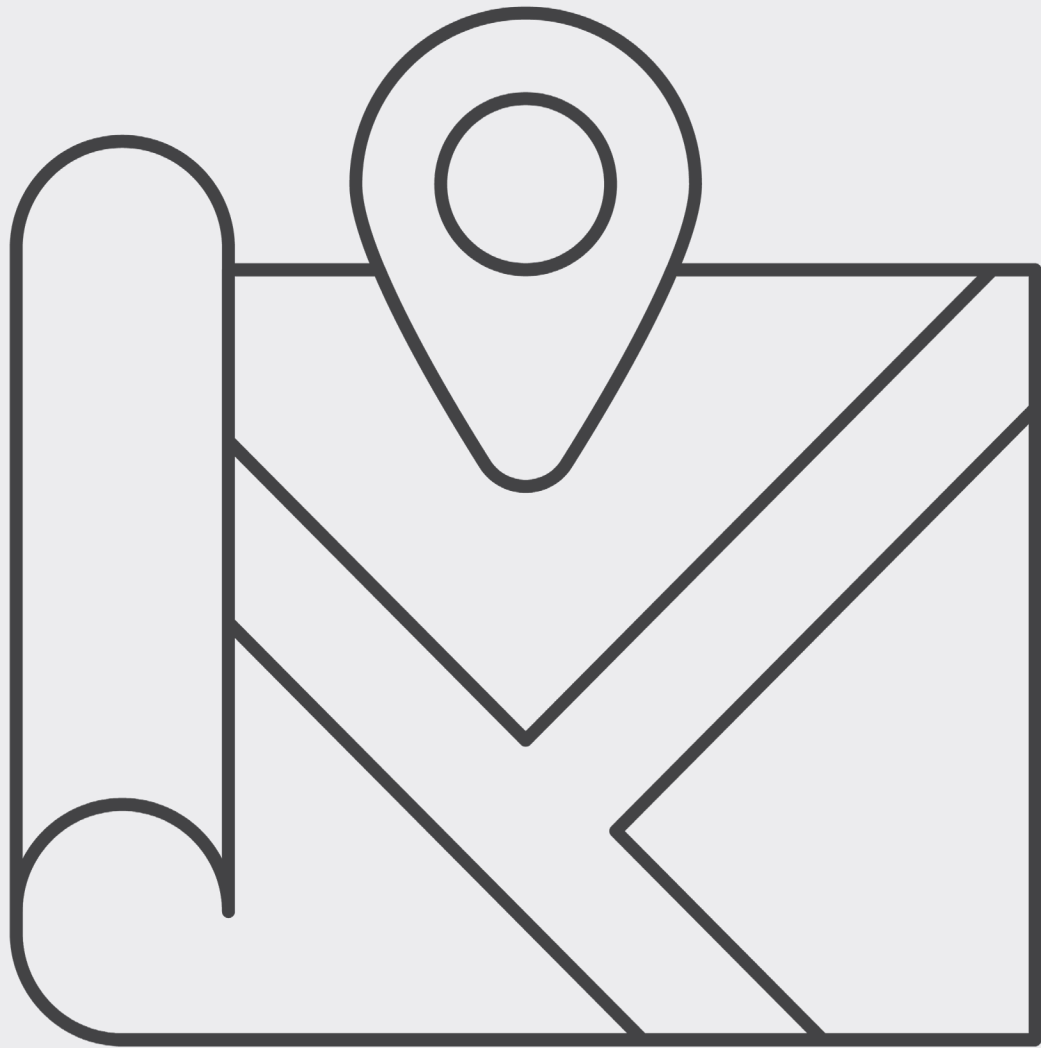
Susannah  
is 63

Leyton is 65



- ▶ \$500,000 in assets: \$400,000 in Registered Retirement Savings Plan (RRSP) and \$100,000 in Tax Free Savings Account (TFSA)
- ▶ Desired monthly income is approximately \$5,000 per month
- ▶ Joint CPP and OAS \$3,300 per month





# 1 Mapping out retirement goals

- ▶ What does retirement look like for Susannah and Leyton?
  - Travelling/vacations
  - Volunteering
  - Spending time with family
  - Leaving a legacy
  - Engaging in hobbies
- ▶ How much will it cost?
- ▶ How will you pay for it?



A photograph of three people in a modern office setting. A man with a beard and a woman with curly hair are seated at a table, looking towards a third person, a woman with long dark hair, who is seated across from them. The woman across the table is holding a pen and looking at a laptop. The man and woman on the left are looking at each other. The background shows large windows and a television screen.

**How much will  
you need in  
retirement?**



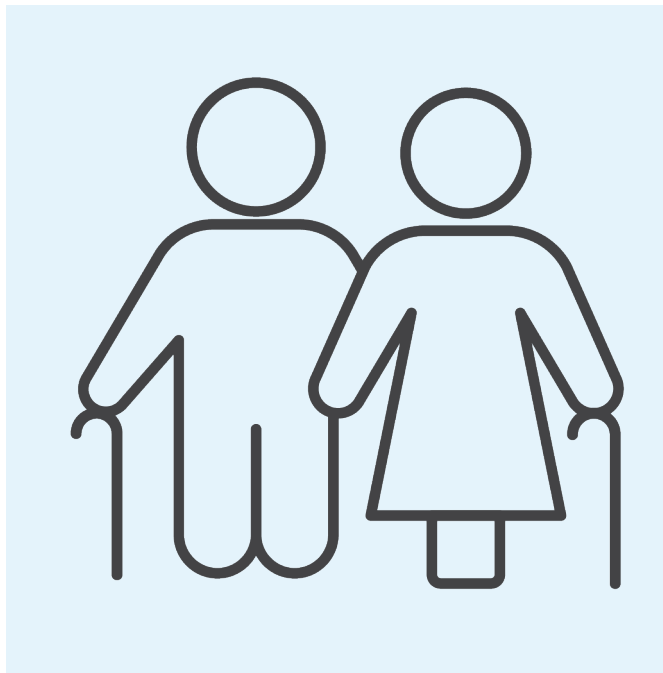
## 2 Meeting goals in retirement



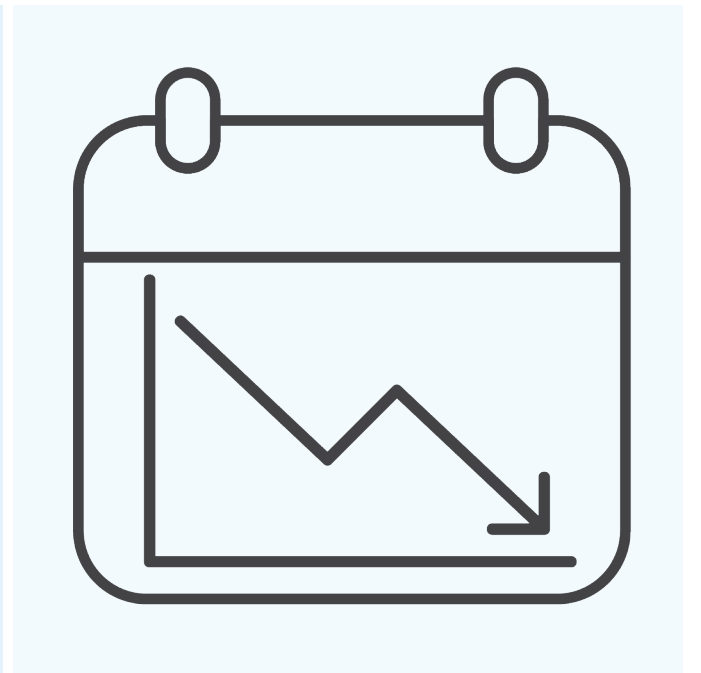
Rate of withdrawal



Market performance



Retirement age  
and longevity



Sequence of returns





**Rate of withdrawal**





**Market performance**





# Plan for a long and fulfilling retirement

- ▶ The average 65-year-old will spend almost 20 years in retirement
- ▶ A 65-year-old couple has a 40% chance that at least one spouse will live past age 90





**What is sequence  
of returns?**



# Sequence of returns

Scenario 1	Scenario 2
12.00%	5.00%
9.00%	-3.00%
6.00%	2.00%
12.00%	11.00%
-4.00%	-6.00%
16.00%	3.00%
12.00%	9.00%
13.00%	8.00%
-3.00%	-1.00%
-1.00%	4.00%
17.00%	-2.00%
11.00%	9.00%
-2.00%	4.00%
-7.00%	9.00%
7.00%	6.00%
6.00%	7.00%
9.00%	-7.00%
4.00%	-2.00%
9.00%	11.00%
-2.00%	17.00%
4.00%	-1.00%
-1.00%	-3.00%
8.00%	13.00%
9.00%	12.00%
3.00%	16.00%
-6.00%	-4.00%
11.00%	12.00%
2.00%	6.00%
-3.00%	9.00%
5.00%	12.00%



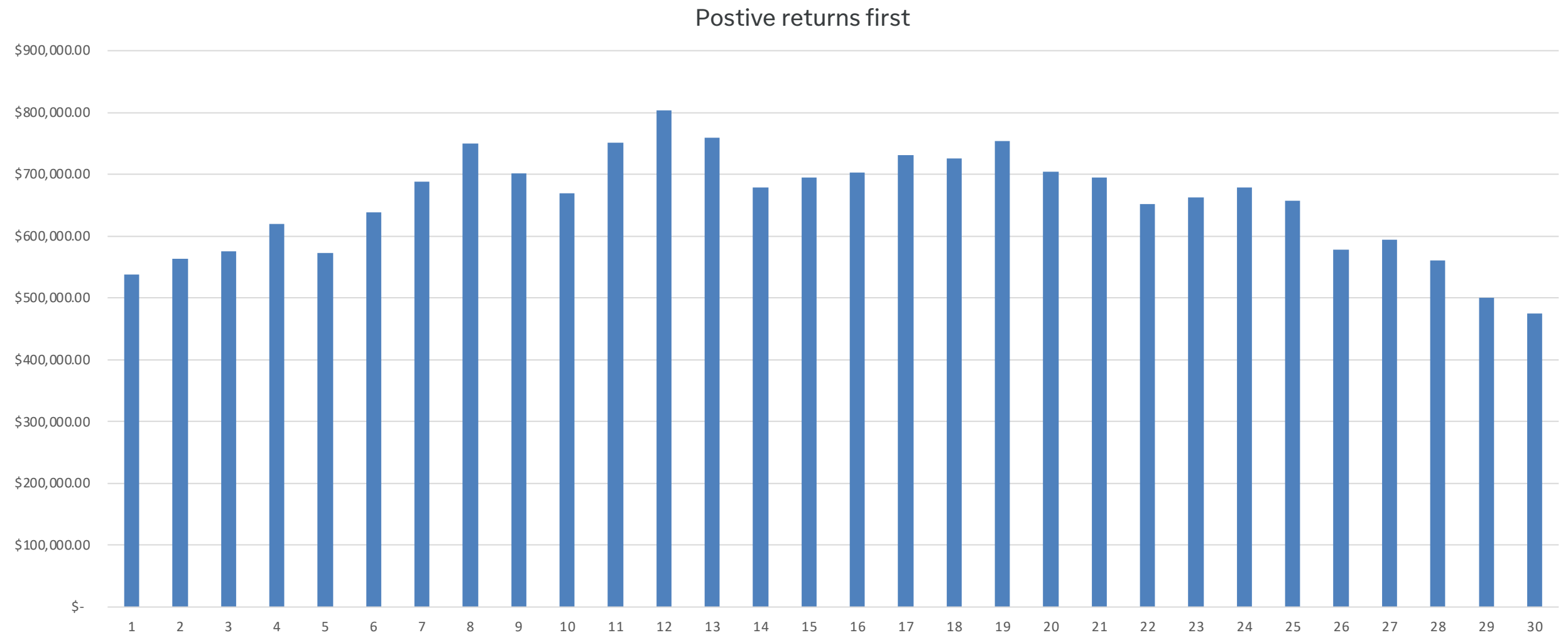
# Let's compare

Postive returns first		Negative returns first	
First 10 year average	7.2%	First 10 year average	3.2%
Middle 10 year average	5.2%	Middle 10 year average	5.2%
Ending 10 year average	3.2%	Ending 10 year average	7.2%
Average return	5.2%	Average return	5.2%



# Comparing results

\$20,000 withdrawal per year increased for inflation at 3%  
Withdrawals take place at beginning of the year, returns applied at end of year



- ▶ Stronger average returns early allow them to build their portfolio
- ▶ Lower returns later do not hinder the portfolio overall

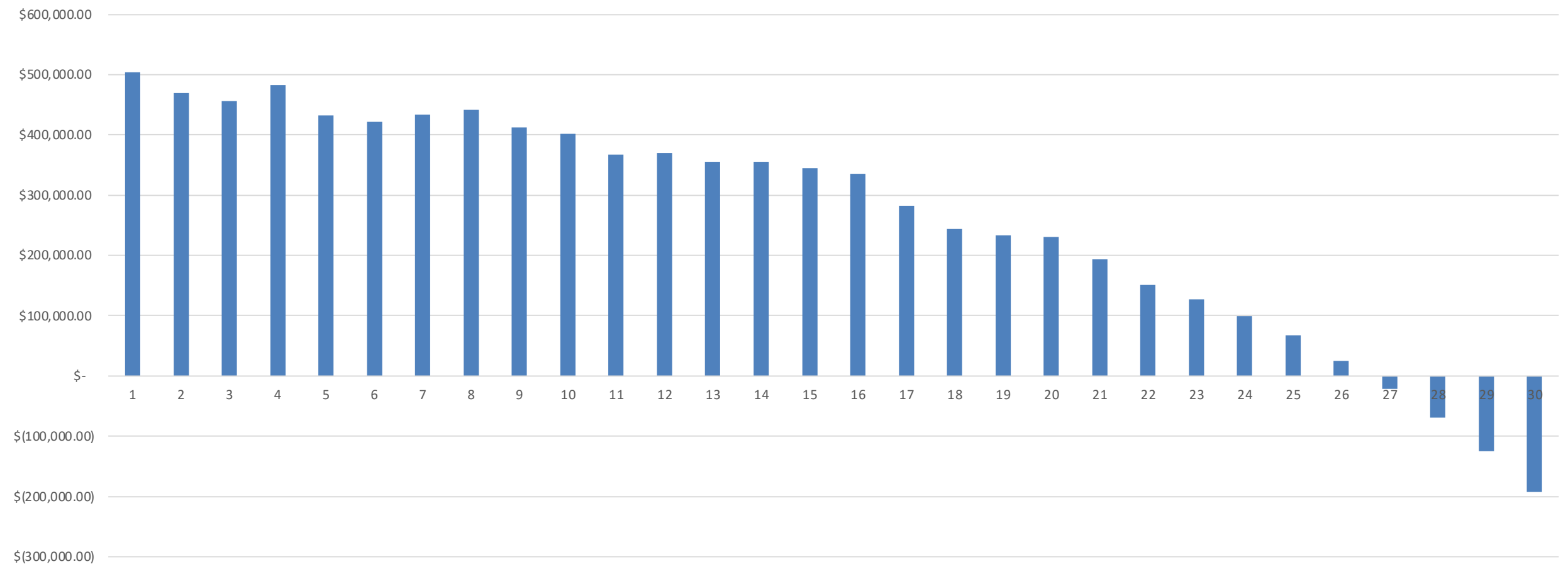
▶ Over \$475,000 left at age 95



# Comparing results

\$20,000 withdrawal per year increased for inflation at 3%  
Withdrawals take place at beginning of the year, returns applied at end of year

Negative returns first



- ▶ Sequence of returns reversed
- ▶ Same portfolio and withdrawals
- ▶ Lower average returns early do not allow them to build or maintain their portfolio

- ▶ Strong returns later do little to help
- ▶ They run out of money before age 92

# 3 Factoring in inflation

## Impact of inflation on purchasing power (assuming annual inflation of 3.00% for 25 years)

Year	One dozen eggs	4L bag of milk	Household monthly cell phone services	New car
				
Cost 2025	\$4.85	\$6.63	\$109	\$56,300
Cost 2050	\$10.15	\$13.88	\$228	\$117,880

Source: Statistics Canada, Edward Jones, Monthly average retail prices for selected food products and new motor vehicle sales, November 2024. Average monthly cell phone services bill based on Statistics Canada 2021 household monthly spending on cell phone and pager services.





## **4** Preparing for healthcare costs and taxes

- ▶ Long-term care
- ▶ Assisted living
- ▶ Other costs such as hearing aids, dentures, cataract surgery, prescription drug costs, etc.



## Take taxes into account

- ▶ Plan for taxes in your annual budget
- ▶ Meet with your tax professional
- ▶ Consider income and pension splitting
- ▶ Review the order of investment withdrawals – registered vs. non-registered



## 5 Sources of income in retirement

Income	Expenses
Government retirement benefits – CPP/QPP and OAS	Mortgage
Pension and other employer-sponsored retirement plans	Utilities
Registered plans (RRSP, RRIF, Locked-in, etc.)	Groceries
Annuities and investments	Taxes
Additional savings	Healthcare costs
Part-time employment	Discretionary costs – travel, entertainment, etc.
Rental income	

Insurance and annuities are offered by Edward Jones Insurance Agency (except in Quebec).  
In Quebec, insurance and annuities are offered by Edward Jones Insurance Agency  
(Quebec) Inc.

## 6 Canada Pension Plan (CPP)

Impact of taking CPP earlier vs. later

Age	Reduction	Increase
60	36.0%	
61	28.8%	
62	21.6%	
63	14.4%	
64	7.2%	
65	0%	0%
66		8.4%
67		16.8%
68		25.2%
69		33.6%
70		42.0%



# Canada Pension Plan (CPP)

Maximum CPP monthly retirement benefit in 2025 (age 65)	Average CPP monthly retirement benefit as of October 2024
\$1,433.00	\$899.67

# Impact of taking OAS later

## Illustrative example

Age	65	66	67	68	69	70
Increase	0.0%	7.2%	14.4%	21.6%	28.8%	36%

Note: Data is as of June 2025.



# Maximum monthly Old Age Security (OAS)

Age	65-74	75+
Amount	\$727.67	\$800.44

Note: Data is as of June 2025.  
Source - <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/benefit-amount.html>



## 7 Employer pension plans

- ▶ Defined benefit pension plan
- ▶ Defined contribution pension plan





## 8 Managing a shortfall

- ▶ Saving more for retirement
- ▶ Spending less
- ▶ Working part-time
- ▶ Retiring later
- ▶ Downsizing or selling real estate
- ▶ Optimizing when to take government benefits such as CPP/QPP and OAS





## **9 Diversification, annuities and maintaining cash**





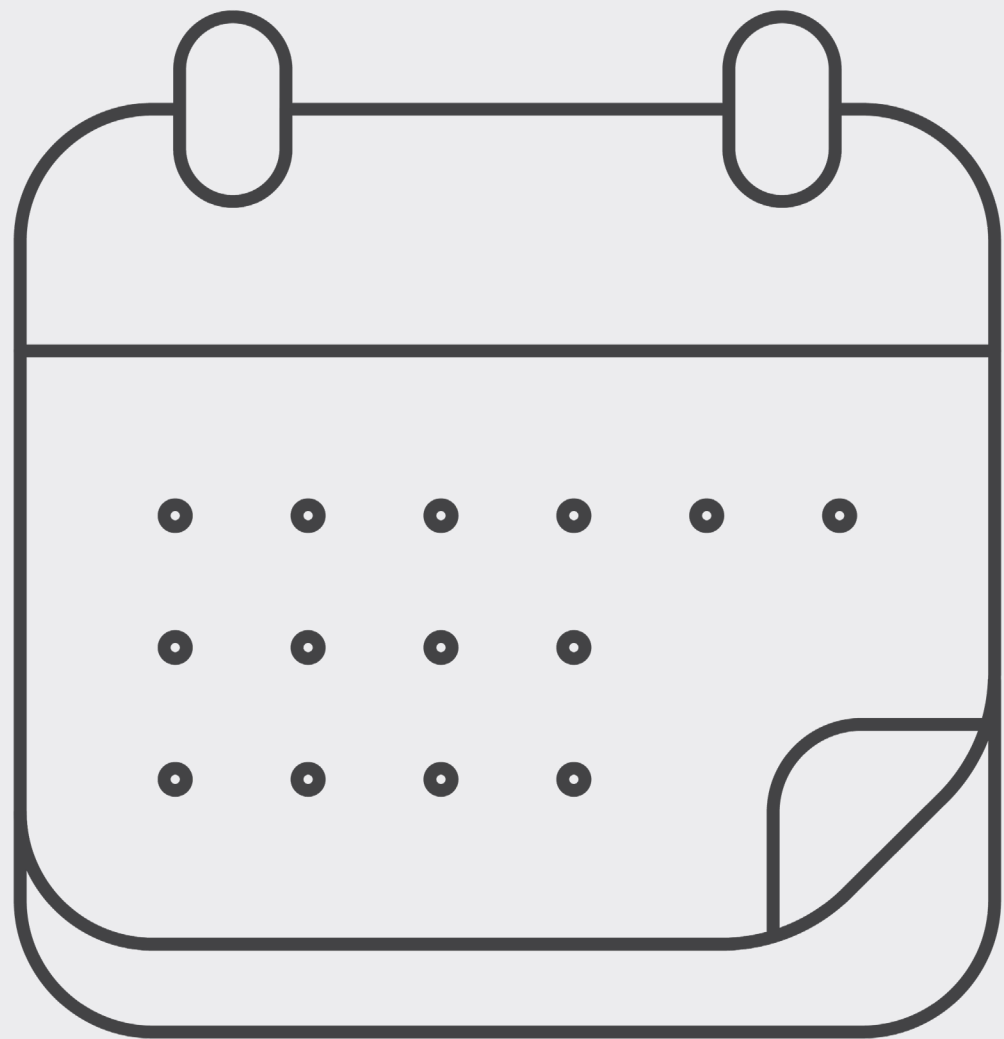
# Annuities





## **Importance of maintaining cash**





## 10 Annual reviews

- ▶ Adjust withdrawal rate as necessary
- ▶ Address rising income needs
- ▶ Confirm timing of retirement income
- ▶ Rebalance portfolio, if necessary





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- 1 We prioritize what's most important to you and help you define your short- and long-term goals before providing advice.
- 2 We build deep and trusting relationships and work with you to develop strategies that support your goals related to health, family, purpose and finance.

- 3 We provide comprehensive planning and advice to help balance and achieve your goals.
- 4 We partner with you through life's curveballs, cannonballs and windfalls and we'll work together to adjust your plans as needed.



# Your priorities are our priorities



Financial  
management



Asset  
management



Risk  
management



Tax planning



Retirement  
planning



Estate  
planning



Business  
planning

# Your financial journey

Working together, we'll use the Edward Jones process to establish, confirm and regularly revisit your financial strategy.



# A team approach

## Key members of your team

- 1 Your Edward Jones branch team**
  - Financial Advisor
  - Branch Office Administrator
- 2 Your Edward Jones home office team**
  - Advice and Guidance Strategists and Analysts
  - Client Consultation Group
  - And more
- 3 Your legal and tax professionals**
  - Accountant
  - Lawyer



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**Any questions?**



# Let's connect!



Email me directly if you have additional questions



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Complete the **My Priorities Quiz** and bring it to your next appointment



How did I do? Complete the seminar evaluation



# Thank You

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