PRIORITIZER

Planning for Retirement

(While Living for Today)

These are exciting years filled with new beginnings. Your priorities may include furthering your education, planning your wedding, consolidating finances with your partner and purchasing your first home. With so many priorities in balance, don't underestimate the importance of contributing to your retirement during these early years.

1. **Start with Understanding your Expenses**
   While it may seem that all of your funds are allocated to daily expenses including loan repayments and rent, take a moment to understand where you are spending your money and how some of those funds may be dedicated to your future. First, review your payments and spending over the past three months to understand exactly where your money is going. Next, build a basic budget that shows these expenses related to your income. Finally, make choices that allow you to put away even a small amount each month, dedicated to your future.

2. **Tackle the Debt**
   Smart borrowing allows us to take advantage of opportunities and helps us move closer to achieving our dreams. The goal, however, is to pay off your debt as soon as possible to minimize interest paid. Consider prioritizing payments based on the cost of funds and consolidating multiple loans to make repayment efficient and affordable.

PRIORITIZER

3. **Begin Today!**
   It's arguably the most important retirement savings tip – start early. Compound interest over the years will optimize your contributions so time is definitely a critical part of your retirement strategy. When do you plan on retiring and how much do you think you will need to maintain the lifestyle you want? Use a Retirement Calculator to assess how much you will need to put aside today for the future you are building for tomorrow. Set up pre-authorized contributions so that the process is seamless and automated. Doing so means you won't forget to contribute, or make impulse buying decisions instead.

4. **Build an Emergency Savings Account**
   While saving for your future is important, so too is being able to meet your financial obligations today if you are ever faced with an unforeseen event such as a job loss or illness. If you don't already have an emergency fund, you may want to consider splitting the funds you are saving into two categories: Emergency Fund and Retirement Savings. Once you meet your Emergency Savings goal (three to six months' worth of living expenses is recommended), you can reallocate all funds to your Retirement Savings goal.

5. **Choose Tools that Work For You**
   There are many different types of investment tools to support your retirement savings, such as a Registered Retirement Savings Plan (RRSP), Tax Free Savings Account (TFSA), Term Deposits and market investments. Choosing the one(s) that make the most sense for your unique needs is an important consideration. Talk to a financial professional to learn more about these options and which ones may be right for you.

Sunshine Coast CREDIT UNION

604.740.2662
www.sunshineccu.com
inquiries@sunshineccu.net
Gibsons, Sechelt, Pender Harbour