

# RETIRE ON YOUR TERMS

## Retirement Income Strategies and Expectations (RISE) Survey<sup>1</sup>

Our annual survey reveals significant insights about individual views on retirement. The survey explores income strategies and expectations for retirement. We've also learned more about individual behaviours and the impact working with an advisor can have on helping people prepare for what's next.

[www.franklintempleton.ca/when-can-i-retire](http://www.franklintempleton.ca/when-can-i-retire)



## DO YOU PLAN ON EVER RETIRING?

You may find yourself thinking you've landed your dream job after years of studying, yearning and striving to achieve your goals. You're inspired and happy and can't even begin to imagine leaving a career you absolutely love. You may even be thinking you'll want to work until you're 80 years old.

Or you may be looking forward to spending your golden years skiing and drinking wine in the Alps and Andes. Whatever your goals for retirement may be, they represent a future as unique as you are.

As you change jobs and grow professionally, you may find yourself with new goals to travel the globe or to fulfill an enthusiasm for sculpting, sailing or scuba diving, and realize that you'd much rather retire to pursue those passions. Right now retirement may be the furthest thing from your mind, but you may find yourself wanting nothing more than to be the childcare provider to your grandchildren while their parents work so you can help them save for their retirement.

You can't predict what you'll want in the future. Priorities shift; people change. But one fact is certain: Whatever your dream, a strong written retirement income plan can help give you the freedom to pursue it. If you'd like to work until you're 80, you may do just that. And if you'd prefer to spend your golden years pursuing rediscovered passions, you may be free to indulge in that lifestyle, as well.

## Reality Rarely Follows Life's Best-Laid Plans

Nineteen percent of those who are currently retired, retired due to circumstances beyond their control (i.e. health issues, downsizing).

When asked, "If you were or are unable to retire as planned due to insufficient income, what adjustments have you made or would you make in the future?" 64% of people age 35 to 44 say they'll retire "later" in life, and 42% say they're willing to supplement their retirement income with part-time work.

But—perhaps not surprisingly—as people get older, the "retire later" option gets less appealing. By the time people reach the threshold of traditional retirement, ages 60 to 65, the percentage of people who are willing to delay retirement slips to 48%. Even part-time work looks less appealing, with well under half (39%) saying they'd be willing to pursue that route.

“Retirement sounds boring. I'd much rather keep my mind busy by working.”

“I love my job. I'll never retire.”

“My dad didn't retire until he was 75, and I plan on doing the same thing.”

We'll say it again: Your priorities might shift. When your two best friends are retiring next March and planning a six-month trip to Europe together, spending another year without the flexibility to join them might start to look less interesting.

That's why you should focus on amassing income for what's next—whether you decide to retire in order to travel, spend more time with your family, or switch into a career role that offers less pay but more fulfillment.

Here's the beauty: The more you're prepared for retirement, the more excited you are likely going to be for "what's next" in your life—and creating a written retirement income plan is a key element in preparation. The numbers are clear; of those who have retired and developed a written retirement plan, 94% are confident with it and 93% are happy with it.

### Lowering Stress

You might be thinking: "People with money are relaxed and people with tight budgets are stressed." To some extent, that may be true. But existing savings is only one piece of the puzzle. The survey shows that people with a written retirement income plan are more likely to feel knowledgeable, happy and confident about their path to retirement.

As mentioned earlier, developing a plan could help you feel better about retirement. And when you feel comfortable that you have a plan for generating income in retirement, you can focus on the type of retirement "planning" that you really enjoy.

For many people, creating a written retirement income plan seems challenging. They may not know where to start or what kind of plan will be best for them. Just the thought of developing a written retirement income plan can raise stress levels. However, help is readily available. Working with a financial advisor can not only help you get started, it may actually help you feel less stressed about the process and your retirement plan as a whole.

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### THREE STEPS TO RETIREMENT CONFIDENCE

- 1 | **Know Your Situation**  
Define your individual goals and concerns.
  - 2 | **Work with a Financial Advisor**  
Professional advice can make a difference.
  - 3 | **Write Your Plan Down**  
Having a plan in your head may not be enough.
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*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.*

#### Methodology

1. The Franklin Templeton Retirement Income Strategies and Expectations (RISE) survey was conducted online among a sample of 2,001 adults comprising 985 men and 1,016 women 18 years of age or older. The survey was administered in Canada from January 6 to 18, 2017, by ORC International's Online CARAVAN®.



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