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Boomers: BORN TO RETIRE RICH

Past generations were satisfied with a modest retirement. Before all the cutbacks, many had

decent company pensions. With fewer gadgets to buy, and lower inflation, many Canadians managed to squirrel away some savings. Others, amazingly thought the Canada Pension Plan was designed to fund their retirement in total. In actuality, these government programs are designed to provide about 25 percent of our retirement income. In today's standards, to only live on CPP benefits would be to live like a pauper.

Many Baby Boomers to Retire Soon

Working Canadians have come to expect that retirement will be sweet. They have actually benefited from the message that the economists have delivered regarding boomer-demographics—that the majority of Canadians are soon to retire. They have accepted the fact that they need to be diligently investing with a retirement plan. According to the Federal Government, the percentage of people over 65 will almost double by 2030, reaching nearly 25 percent of the population. By then, there will only be three working Canadians to support each person receiving CPP benefits. This is compared to today's

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number of about five workers to every pensioner. What is the real issue? Do we all focus on the intangible fear of this huge demographic impact on our Canada Pension Plan—whether the CPP will be intact when we retire? Not if you ask the boomers or succeeding generations. They know the stats and the facts. Their concern is that they want to be able to enjoy the affluent lifestyle that the two-income family has afforded them to date. They understand that the real issue will be their ongoing ability to think and plan their way to riches by investing in wealth-creating investments such as stocks and bonds; and their favourite investment vehicle—mutual funds.

In the past, people were far more content to live on a smaller income because their learned lifestyle was the result of living in a single income household. Today, in many homes, both spouses bring home paycheques and can afford the high costs of mega-home real estate, the value of which their larger incomes helped hyper-inflate. Many own two cars, take annual vacations to exotic locales, and invest heavily in mutual funds—currently \$361 billion.

It is not as critical that today's youth may pay much more into the CPP coffers than their parents paid to sustain the growing retiree population. What matters most is the future self-sufficiency of individual investors, their faith in tomorrow and their creative ability to find successful investment solutions to generate new wealth.