



## How to Build the Perfect Retirement Plan

### Description

No matter what your age, retirement has to be one of the most important goals for Canadians. We put cash away, let it grow, and one day we can live our ideal lifestyle. The problem is, most Canadians aren't starting a retirement plan soon enough. Instead, they're waiting decades or even just before retirement before even thinking about a plan.

That's a huge problem. Not only will you potentially be unprepared when it comes to your ideal age of retirement, but you could also be missing out. In fact, you could be missing a huge opportunity to retire even earlier, or at least have incredible cash set aside for when you're ready to retire.

That's why a retirement plan should be set up as soon as possible. So here, I'm going to go over the steps to take to build that perfect retirement plan.

### Set a date

This doesn't have to be specific, but having a timeline in mind is a key component of [starting](#) your retirement plan. This starts the clock ticking, allowing you to come up with some short and long-term goals towards your retirement goals.

Now, this can change depending on your age. You may want to retire at 65, but right now are 55 and that no longer seems feasible. Or, you may need to be more aggressive in your investing. You may also be 30, and have plenty of time to save up. That means you can afford to put cash elsewhere. And that leads me to the next step.

### Budget

The next step is figuring out how much you're bringing in, and how much you're spending. This is important not just to figure out what you can afford, but what you'll be spending in retirement. If you're going to build a retirement plan, you need to know both.

So first, see what you need to spend each month, and then in turn what you can afford to put towards retirement. A financial advisor would be really helpful with this. Then, once you have that budget you'll also be able to see how much you'll be likely to spend in retirement. This can help you come up with a financial goal to reach to know you're retirement ready.

Part of that budget should also include "what if" scenarios. What if you get sick? Your house is damaged? Never mind inflation. All of this should be taken into consideration when creating a comfortable retirement plan.

## Other income

Now that you've figured out what income you have on hand, make sure to realize all the income you *could* have in the future. This would include [Canada Pension Plan](#) payments, Old Age Security, an employee pension plan, and more. It also would include any investments. That of course would include your Registered Retirement Savings Plan and Tax-Free Savings Account. But also consider your assets such as a home. If you're going to be downsizing in the future or moving somewhere cheaper, that also increases your income.

Again, meeting with a financial advisor will help you take all of this into consideration. They can look at your costs, your home, your goals and calculate what you can afford to save for at this moment. But don't let that be the bottom line. Make sure to continue going back to see your financial advisor to adjust as your life changes.

Retirement is within reach for all of us. Young or old, making sure you contribute regularly what you can afford will assure you can reach retirement when the time is right for you.

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