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## **Aging & Society - What it means for the future of Our Elderly?**

**By Janine Purves, CFP, CSA**

As a financial advisor, my job is to help people plan for their future. Much of this planning is to prepare for the many years when we are retired.

While this can be extremely rewarding, and successful retirement has been wonderful for many, it can also be a challenging period with so many changes and so many unknowns.

As we age, most of us know that our bodies aren't able to keep up and more aches and pains are prevalent. While this we can adjust to, how we will manage well into old age becomes a bigger question.

Historically, most people died before the age of 65. In fact, right now with our aging society and improved ability to fight disease, our average lifespan is the longest ever on record, at 82.6 years for women and 77.8 years for men. (Statistics Canada, 2004)

This is wonderful, but it means the retirement income that used to need to sustain you for 10-15 years, may now have to last for 30 years. This can pose challenges for portfolios and may mean that the added volatility of equities is a necessity or the portfolio will not keep up to our needs and with inflation. More on this in a future article.

The other issue with living a longer life is the increased chance of suffering a more debilitating disease and our bodies starting to fail us. This is not a pleasant subject, but many who have lived to see an aging parent start to deal with many serious challenges, recognize the importance of considering how we will deal with it.

Historically, many people thought they would simply look after their aging parent when they reached a period of difficult health. This is a very noble thought, but it may not be right for either you or the parent. Realistically, our society has changed greatly in the last 50 years which has meant that reality of taking care of a loved one may not be possible.

The increase of divorce means there are more 1 parent families, where the adult must work to raise the children. It is often impossible to take care of an ailing parent in this situation.

The increase of working women also plays a role in the availability of women to manage this task of caregiving.

With our modern society 2-3 children has become the norm. Therefore, there are fewer children to share the burden of the caregiving which just adds to the challenge.

We also travel much more and move across countries for work and family life. These geographical challenges provide an added complication when trying to care for a parent or loved one.

With all this in mind, it is really critical for families to consider how they will manage failing health and speak with the parent or other family members about his/her wishes. Sometimes, the kids feel obligated to care for the parent and yet, the parent wants to retain as much independence as they can and doesn't want this. The reality of our current life challenges means other options should be reviewed.

Take the time, speak with your loved ones as you age to identify your wishes in this area. Nearly half of Canadians over age 65 will need some form of long-term care, (Financial Gerontology, Journal of the American Society of CLU & CHFCA, May, 1997) and the chances increase substantially as we age. Ensure you get the care you want and deserve by planning this with your family.

For ideas to consider, understand the options (services and facilities) in your area. Look into purchasing long-term care insurance if you have time to plan. This type of care can be extraordinarily expensive, so knowing you have a plan and that it won't debilitate you or your portfolio can be helpful in planning for your future.

Remember you are your own retirement control board. Ensure you think about the possibilities, so your wishes can be implemented no matter what happens.

*Janine Purves, CFP, CSA a Senior Financial Advisor with Assante Capital Management Ltd., works with individuals and business owners in wealth creation and management. Assante Capital Management Ltd. is a member of the Canadian Investor Protection Fund and is registered with the Investment Industry Regulatory Organization of Canada. This material is provided for general information and is subject to change without notice. Insurance products and services are provided through Assante Estate and Insurance Services Inc. For future questions about this article, or a complementary copy of "Retirement Stress Test" contact Janine at (905)707-5222 x22 or e-mail [jpurves@assante.com](mailto:jpurves@assante.com).*