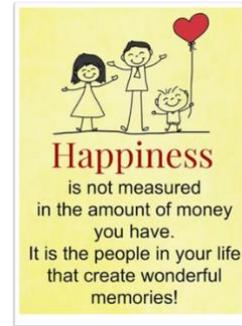


Understanding the link between Money and Happiness.

After 35 – 45 years of saving and being focused on **growing and managing** one's capital – many seniors find it difficult to shift gears to start **using/consuming** capital as was intended. But if you've worked all your life to save for a comfortable retirement - it makes no sense not to use your money as planned and to enjoy your retirement to the fullest.



Retirees lose the opportunity for a more enjoyable retirement because the saving habit is hard to break, they're not clear on their goals, they don't have an Essential Capital / Surplus Capital™ financial plan that proves they have more than enough to achieve their goals, and they justify foregoing pleasure (including being involved with charities) because they mistakenly think that leaving a larger estate is certain to increase the happiness of their heirs.

If the family has talked openly about money, so there are no surprises and no secrets, and the children are well prepared, leaving a large estate is not likely to cause a problem for the heirs. However, some studies show that a large inheritance is as just likely to be a source of grief as to be a source of happiness.

We get our happiness from friends and family, from taking responsibility, from having success and accomplishments, from overcoming challenges, and from helping other people. If you leave your children with good values and a good work ethic – there is no need to leave them a lot of money. A Harvard study of 4,000 millionaires concluded that, to maximize the happiness of the children, the parents should give their money away and let their children experience the joy and sense of satisfaction of becoming successful on their own.

Retirees need to understand that it is not enough to manage money wisely – they should also use their money wisely. Warren MacKenzie, CPA, CA, CFP, CIM, CIMA
warren.mackenzie@optimizewealth.ca