

Income Investing Issues for Seniors

Given today's economics, if you are over 60, are you concerned about your portfolio income compared to your expectations?

Today's financial markets may suffer further long-term adjustments affecting several industries from which you may be deriving your portfolio income. Both the legacy you hope to leave your family and the income to fund your lifestyle should be reviewed for improvements. What is the optimal mix of income for you – real estate, dividend, or interest - bearing securities? Glancing at company insolvency notices in the newspaper recently, I recognized a private business owner who met me for lunch a year ago. He owned an indebted water pipe manufacturing company that was recently placed into receivership. I recalled he had well over 45% of his family's net worth within his business. It was the concentration of his business investment for his family that was the topic of our meeting. Things he told me "are just great" – I will get to making changes later..." .

In my opinion, it is our propensity to spend, not just actual spending that affects the security of so many people's income today. I always counsel income clients to understand the nature of where they derive their income. Will the income result from high dividend yielding electrical utilities, for example, or is a greater income percentage derived from economically sensitive securities such as industrial dividend paying companies or exposure to certain REITS?

When it comes to your income planning, some questions to ask yourself are: What are your hopes and dreams for your legacy, for your children and your grandchildren? Can your portfolio support your income requirements without affecting your investment principal? Could you live off your current income today assuming you are healthy? Consider the current costs for long term care can average in excess of \$60,000.00 annually. Perhaps you have real estate investment income, inheritance capital, and certain government benefits to help you. Indeed, when an economy is strong, your mix of



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investments is sometimes left unchecked. For example, I have met with prospective clients who have several millions of dollars in mutual funds. Unfortunately, this is not a financial plan and leaves an investor over exposed to periodic market index shocks. What if you now require age related healthcare expenses you did not require several years earlier? When we have large economic adjustments, I feel it is important to check where you stand compared to your expectations. Whether you are a private business owner, retired, or you have developed significant qualitative healthcare concerns such as dementia that may lead to family conflict, consider an expert second opinion on your portfolio mix. Is your portfolio tailored to your needs with the right blends of income and growth to help you offset your spending? An experienced financial advisor can help you set up a comfortable portfolio method that best meets your needs.

In my practice, we are disciplined, experienced and approachable. Ask for our ZOOM invitation to meet us - you will not have to leave the comfort of your home! **Our phone number is 647 696 0140.** I wish you and your family good health sincerely.

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