

Find the Nest Egg in Your Empty Nest

When the kids move out and on with their own lives, they leave behind something much more valuable than a stash of old belongings. Look closely and you may discover a significant amount of extra cash flow you can use to invest in yourself today and build wealth for the future. You may also find a lot of extra time—your opportunity to pursue your own interests and prepare for retirement.

As an empty nester, you have many options for the money that was earmarked to cover your children's expenses for 20-plus years. You may want to boost your retirement savings by increasing your regular RRSP contributions or topping up your account with a lump-sum deposit. You may also want to invest outside your RRSP. But what's interesting is that, by investing your money wisely, you can generate even more for the things you want to do now and in the future.

What have you always wanted to do but just didn't have the time or funds for? You may be thinking about going back to school, devoting yourself to your favourite hobbies or trying out new activities. Perhaps you've simply been looking for a way to swing fewer hours at work so you can fit in more swings on the local golf course. Or maybe you've been considering giving back to the community with a meaningful philanthropic gift of money or time.

What you decide to do with your extra cash flow is entirely up to you. The important thing is that you recognize it's there and either put it towards an immediate goal, or invest it appropriately to meet mid-term and long-term objectives.

Savvy investing of your empty nest assets can help you achieve your personal objectives and leave a lasting legacy. Develop and fine-tune your financial plan to accommodate your new lifestyle; research and strategize to make informed investment decisions and maximize returns. Use professional analysis and projections to help you stay on track and meet your goals. And adjust your mix of holdings appropriately – downshift from growth to income – as you get closer to the moment when you will need to access your money to fulfill your objectives.

The bottom line is, it's your turn to shine. After many years of putting your children's needs first, it's time to refocus your energies – and extra income – on yourself.



INVESTING DECISIONS MADE EASIER

Whatever your investing goals, BMO InvestorLine has the tools to help you make the right decisions:

- **The Retirement Planner** will help you develop a customized retirement strategy, complete with adjustable asset allocation recommendations and portfolio performance projections.
- **The Education Centre** is an efficient way to expand your knowledge base with its in-depth articles, webcasts and seminar schedules for your area.
- **The Retirement Your Way™** tool allows you to try out different models for the future, including the impact of earning some income during a transition phase before full retirement.

> UPSIZING INTO THE COUNTRYSIDE: THE NEXT BIG TREND

by Robert D. Sopuck

Common dogma had it that baby boomers would sell those big houses in retirement and downsize by moving into condos. They would forgo the pleasures (i.e. work) of home ownership in favour of exotic experiences, and cities would flourish while Rural Canada would continue its slow and relaxed pace.

So much for common dogma. Against generations of tradition, boomers are migrating out of the cities and actually increasing the size of their real estate holdings. Why? Rural Canada (or suburb anywhere in a four-hour radius from the city) is no longer the simple place that it may once have been. First, the communications revolu-



tion means that today, rural or suburban areas are not cut off and have access to as much information as cities. Second, middle-aged urban-dwellers are looking to realize those massive real estate gains that have caught everyone by surprise. And third, yesterday's boomers are now today's grandparents with rapidly expanding families. Many rural residences are quite large and have

combined rural charm with modern amenities—just right for the grandkids. Throw in the tax-free capital gains from the sale of primary residences and a stock market that is generating some real returns and we have the ideal conditions for a “rural renaissance.”

When it comes to properties, Rural Canada has it all, from small-town living, to acreages, to estate-sized pieces of land. And the prices can leave you breathless if you avoid the trendy cottage and resort communities that have experienced their own real estate price booms.

As for the migrants, many are experienced, confident, savvy investors who have retired or soon will. To them, quality of life is paramount but so is an investment

or pension income that will allow them to live comfortably. Here's how they are benefiting from country living.

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1. THE SALE OF EXISTING CITY ASSETS GENERATE CAPITAL

This is the old “buy low, sell high and then buy low again” approach to real estate. With some exceptions, such as properties in exclusive country resort areas and “cottage country”, city housing is generally more expensive than rural housing. Selling high and buying low will generate capital. Since proceeds from the sale of a primary dwelling are tax free, it's a tax-efficient way to generate capital. Thus, if the house in the city has gone up in value, homeowners are in an excellent position to free up a decent sum of money from selling high in the city and buying low in the country. That capital is now free to be invested.

2. RE-INVESTING CAPITAL

Buying real estate in less expensive rural areas to free up capital creates an excellent opportunity to enhance other investments. Topping up RRSPs or contributing more to non-registered accounts is a way to invest immediate gains. However, living in the country also offers another unique opportunity to create future capital.

Buying more inexpensive real estate in the country means homeowners can buy acreages larger than they may actually need. Since land often appreciates in value, selling a portion of the land after a few years can generate additional capital that can then be put towards other investments. *continued on the back page*

Winning Strategies for the Entrepreneurial Investor

The moniker “entrepreneurial investor” inextricably links investors with entrepreneurs—and with good reason. Successful investors and top entrepreneurs have many traits in common. In her exclusive special report, *Winning Strategies for the Entrepreneurial Investor*, Evelyn Jacks describes how those common but distinctive traits help the best investors and entrepreneurs develop and implement strategies that get consistent results time after time.



Below is an excerpt from *Winning Strategies for the Entrepreneurial Investor*. To read Evelyn Jacks’ special report in its entirety go to bmoinvestorline.com.

THE ENTREPRENEURIAL INVESTOR’S SIX STEPS TO SUCCESS

1. Begin with a vision.
2. Identify your action plan (Plan A) and your contingency plan (Plan B).
3. Seek knowledge.
4. Re-evaluate regularly.
5. Stay focused.
6. Resist the temptation to make decisions randomly.

*Evelyn Jacks is President of The Knowledge Bureau, www.knowledgebureau.com, and best-selling author of 37 books on personal tax planning. Her latest book is *Essential Tax Facts*. Her next, to be released this fall, *Get Your People to Work Like They Mean It*, is co-authored with Jean Blacklock, COO of BMO Trust Company.*

NEW! Managing Your Personal Information Online

Keeping personal information in your account up-to-date helps to ensure you get the best customer service. Now, you can update your mailing and email addresses with just a few clicks.

To update your mailing address, sign into your account online and visit the *Personal Information* section under *Account Services*. While you are there, be sure to confirm or update your email address in the *Account Profile* section under *Account Services*.

Now Available! NEW Active Trader Program!

If you execute 30 or more equity or option trades per quarter and sign up for eServices, you can qualify for the Active Trader Program. Clients who executed 30 or more qualifying trades during the period of April 1 to June 30, 2006 are already enjoying Program benefits including low commission rates and access to powerful tools such as:

- Level II Quotes
- Real-time Quotes throughout the site
- Streaming Quotes
- Stop Orders & Alerts

To find out more about the Active Trader Program visit bmoinvestorline.com/Products/Services/ActiveTrader.html.



Retirement Planning at Your Fingertips

The Retirement Corner at bmoinvestorline.com gives you all the information you need to support your retirement planning. It's a one-stop-shop where you'll find insights and strategies from



Canadian retirement experts, frequently asked questions about retirement and a glossary of retirement terms. Also available are four indispensable tools that answer critical questions for investors:

- RRSP Savings Calculator – Am I setting aside enough?

- RRSP Borrowing Calculator – Will a loan put me ahead?
- Asset Allocator – Am I holding the right investments?
- Portfolio Rebalancing Tool – How do I fine-tune the asset mix in my portfolio?

Whether you're interested in opening an RRSP or RRIF account, setting up automatic deductions to make RRSP contributions, or applying for an RRSP loan, this is the place to start.

You'll also find BMO Financial Group's sophisticated **Retirement Your Way™** tool, which will help you see the impact of a transition period before full retirement, forecast your

income needs and develop a customized blueprint to achieve your unique goals.

Why wait?

Log into your BMO InvestorLine account online and select the *Retirement Corner* under *Planning* for all the tools and resources you need to plan your retirement.

UPSIZING INTO THE COUNTRYSIDE...

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3. ELIMINATING DEBT

Consider what it means to be debt free. Selling a high-value city property and buying lower-cost (but just as nice or even nicer and bigger) rural real estate does not only allow homeowners to do away with a mortgage, but can also reduce or eliminate other debts. Once again, that monthly mortgage or loan payment is money that can now be used to enhance other investments.

Moving from expensive cities into a Canadian countryside has the advantages of low-cost real estate, safe communities, and vastly improved communications technologies. Not to mention the huge financial advantage. Upsized, affordable, and elegant living in the Canadian countryside may be the next real estate and investment mega-trend.

Robert Sopuck has retired to the countryside but is on the Distinguished Faculty of The Knowledge Bureau, author of the certificate course Planning Rural Lifestyle Alternatives in Retirement available from www.knowledgebureau.com.

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