

Retirement – What to think about

Retirement means different things to different people which makes retirement planning a unique process for each client. You may want to travel the world, volunteer or spend more time on hobbies.

Here are some of our thoughts for different stages of planning for your retirement:

Accumulation years

- Learn to pay yourself first - by starting to save for retirement early, even if only a small amount, allows the power of compounding investment returns to work for you
- Enroll in automatic annual increases to your 401k plan – by making small incremental changes each year the potential payoff in retirement can be substantial
- As you change jobs it can be easy to leave an old 401k behind. Be sure to evaluate the pros and cons of leaving the assets in a previous employer's plan or rolling the assets out of the plan. The goal is to ensure your investment strategy stays in alignment to reach your retirement goal
- Utilize a Roth IRA or Roth 401k – an easy way to prepay income taxes on retirement savings. These accounts are a sound idea if your current income is below where you anticipate it to be in retirement
- Save outside of your retirement accounts - allows easier access to money for opportunities or emergencies and provides tax diversification from your retirement accounts

Preparing for retirement (5-7 years prior)

- This is a critical stage when planning for retirement. This is a good time to review your overall financial picture to make sure you are in position to make the shift from the accumulation phase to the income distribution phase.
- If you had a choice between planning your vacation or organizing and detailing your retirement budget, my guess is you would choose planning your vacation. Understanding your expenses and knowing what your budget in retirement looks like is critical for your retirement success. If you can articulate your retirement lifestyle, we can help you design an investment plan to meet those needs so you can travel in retirement or be involved with charity or hobbies and not worry about running out of money.
- Remember the money you have saved potentially needs to last you for 30 years in retirement.

Retirement

- You have worked hard and saved over many years, now is the time to enjoy retirement
- We have found retirees spend more money in the first few years of their retirement as they travel and do things they never had time for while working. Take time to figure out what your retirement lifestyle will be. Spend a year or two in retirement before making changes to your investment strategy to confirm your retirement plans haven't changed.

No matter what stages you are in, take the time to start making goals and creating a plan. We are here to guide you along the way.