7 Retirement Considerations

EVERGREEN™
WEALTH SOLUTIONS
PLAN. GROW. PROSPER.™

When helping people get ready for retirement, financial advisors find the same issues come up over and over. Thinking ahead can spell the difference between a successful retirement with enough money and a stressful one with difficult decisions that you don't want to make. Here are 7 retirement considerations that every investor should think about:

Understanding Social Security

The goal with Social Security is not to get the most you can from the government in your lifetime. It is to optimize the amount you receive per month when you finally retire.

The earliest age you can start Social Security is 62. If you retire at 55 or 60, then you might want to claim it as early as you can. But if you plan to work past 70, like many, there is no reason to take Social Security before then. Doing so reduces the amount you can receive at your full retirement age (66 for baby boomers born before 1954). You can have a very nice bump in your benefits every year you postpone taking Social Security. That bump is often a better deal for you than starting early and taking the most money you can.

Are you going to work after you retire?

Your retirement might not be retirement. It could be about doing something different. For you, this might mean you take on part-time work, perhaps in the industry you spent decades in, or in an entirely different field. It brings extra money and occupies your time. If this is what you want, then factor it into your plan. Hopefully if you decide to work, it's because you want to, not because you are short on income and have to. That's where the strength of your regular savings comes in.

What happens if you get really sick?

No one likes to think about it, but a major illness can upset even the best financial plan. You need to consider what will happen to your life if you are incapacitated. Medicare doesn't cover all your health-care expenses, like nursing homes. There's a good chance that you need to pay for uncovered extras, but lack sufficient income during the worst of your illness. What would you do if that occurs?

Where do you plan to live?

The place you spent your working years may be too costly in retirement. Plenty of lists exist of good locales to move to. What if your business didn't do as well as you planned, and you sold it for less money than you expected? Maybe you will have to move to a less expensive state, where you could continue to live as comfortably as before? Uprooting your household will cause you some inconvenience, but maybe not so much that you have to seriously change your lifestyle.

You're going to feel funny not working.

Not going to work every day takes some adjusting. You might feel lonely. Your phone is going to ring much less. The people you spent tons of time with just fall off the map. You might feel that no one likes you. These are called the retirement blues. You might think you are prepared for all those newly empty hours, but most retirees are not.

Timing could make or break you

If the market melts down in the first few years of retirement, you likely will have much less money than you planning, and you have to spend your nest egg faster than you expected. It is only good planning to stress-test your finances by assuming you lose money at the outset of retirement.

Do a financial plan

You need one to prepare for the best and the worst possibly outcomes. Part of that process is scenario analysis that gives you an idea of how much you can stand to lose under the worst case. Test your portfolio to make necessary adjustments. You might decide to postpone retirement, or to change your retirement goals.

Doing a financial plan once is not enough. Every year you need to dust off the plan and go through the tests all over again. What you don't want is to get to retirement and find out your assumptions never came true. That is unless you like potentially nasty surprises.

Let's arrange some time to discuss these 7 retirement topics. Because there are a few more that you should consider too.

www.evergreenwealthsolutions.com

info@egwealth.com

1000 Commerce Park Drive, Suite 416
Williamsport, PA 17701

Phone: 570.601.6960 | Fax: 570.215.8832