RETIREMENT PLANNING: DO THIS, NOT THAT

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The decisions you make before and during retirement will have either positive or negative consequences that will affect you, your family, your potential heirs and/or your peace of mind for many years. What should or shouldn't you do?

Don't – Pick a retirement date arbitrarily or choose a time because it's when social security starts.

Do – Find out how much you need in savings in order to retire comfortably, determine the most efficient way to get to that number by determining what rate of return you'll need to earn on your nest egg, and how much you can withdraw monthly and preserve your portfolio. Your plan should assume that you will live into your 90's.

Don't – Leave retirement funds in an account with your former employer.

Do – Take your money with you when you retire so that you have full control of your hard-earned nest egg. Develop a relationship with a local, reputable advisor who can help you determine the best course of action to take to protect and grow your portfolio.

Don't – Continue to expose your portfolio to the same amount of risk as you did when you were working. It can be harder to cushion the blow of losses without a paycheck or a company matching your 401(k) contributions. Suffering large losses in combination with necessary withdrawals for income could do irreparable harm to your nest egg. Some people have even faced the prospect of returning to work after incurring profound losses to their retirement fund, which could have been prevented by minimizing the exposure to risk. Consider this — if you have $800,000 invested, the market drops 20%, and you need $30,000 for income, your balance will be $610,000. It's too difficult to recover. Don't chance it.

Do – Create a portfolio with a better mix of investments and minimal risk exposure. This type of portfolio will help you achieve reasonable goals for accumulation and won't cause you to worry.

Turn Over ➡

Don’t – Take too much income or take it from the wrong accounts.

Do – Create an income stream strategy about a year before you retire. A retirement planning specialist can help you determine what amount is needed, what account(s) it will come from and whether you have enough money to provide you with that income into your 90’s.

Don’t – Retire with a lot of debt. You’ll find yourself struggling to make ends meet instead of enjoying your time in retirement.

Do – Retire debt-free so that your income can be used for whatever you desire. Develop a payment plan to pay off your mortgage, credit cards and other debts and then implement it.

Don’t – Think you’re alone when it comes to the daunting task of planning for retirement or that professional advice is out of reach or unaffordable.

Do – Seek guidance from a retirement planning specialist who can help guide you through financial, estate and tax planning. At Lifeguard Financial, we take pride in creating customized strategies to grow and protect your nest egg, decrease taxes, and increase the wealth left for distribution to your spouse, children and grandchildren.

When planning for retirement, focus on the things that are within your control: risk, excessive fees, spending and avoiding unnecessary taxes. A sustainable stream of income for life is the goal when planning for retirement.

To learn more about retirement strategies and to view our Video Learning Library, please visit www.lifeguardfinancial.com