

Rodger on Retirement

Retirement—Do You Really Think You Can “Wing It”?

If you read the popular media, you're aware that there is a "retirement crisis" in America. Simply put, a vast number of people have either been unwilling or unable to save money for their own retirement. Yet, you will find advertisements everywhere enticing you to purchase one retirement investment or another, enjoy 50 free trades if only you open an account with \$25,000, or perhaps no fee and no cost IRA accounts. The *retirement conversation* is alive and well in the media with large numbers of financial institutions positioning themselves to get a share of the hundreds of billions of dollars at stake. The retirement crisis will not be solved by no-fee IRA accounts or 50 free trades. What may help improve the situation is a change of behavior in the retirement-minded investor.

With that in mind, let's talk about creating a financially strong retirement for you. First, let's define terms. What is a financially strong retirement? I think of it as that period of your life where you work only if it satisfies a desire other than a need for money. It is a time where you are able to spend your days fulfilling lifetime ambitions that there never seemed to be enough time for when you were working for a paycheck. Whether it is volunteering, sharing your knowledge as a teacher or coach or starting an entirely new venture just for the sheer challenge of it, or whether it is learning to build handmade furniture or restoring sports cars from your childhood--the point is that you want to be free to pursue whatever excites and interests you.

You will want to create a shift in what is *your* normal financial behavior to one that is creating wealth for your *future use*. Look around you--ever notice people of limited means driving a new BMW or Lexus? Now how do you think that happens? Are they mortgaging their futures by overspending in the present? Many believe that they can afford a car payment of "only" \$479 per month for years to come. Well, guess what? They are crippling their ability to enjoy a financially secure future. The truth is that many of your peers are comfortably numb to the risk of what we will call the current bank and future bank. They are depleting their future wealth by excessive spending in the here and now. Don't get me wrong--I am not advocating that you live like a miser, saving all your money and eating frozen meals every night. What I am suggesting is that you find a balance between current spending and setting aside significant sums of money to fund a comfortable future. I want you to recognize that you will need both self-discipline and a *strategy* to achieve this result.

Think of current bank as what is in your pocket now: bank and credit union accounts, checking, savings, CD's, money markets, stocks, bonds, mutual funds, IRA's, 401(k) plans and the like.

The future bank may be thought of as the potential future value of these balances achieved through both compounding and additional contributions for the years between now and when your paychecks stop. A robust future bank will not be possible without your being willing to invest in yourself to help ensure a future of financial abundance. You may be unable to manufacture a *monthly paycheck* without a substantial future bank.

There are absolutely no guarantees concerning your future. The reason is simple: much, if

not all, depends on your willingness to do what is necessary to secure it. I can provide effective and proven steps – but you must take them. I may be able to lead you to the door of prosperity, but you must have the courage to walk through it. No one can promise that, by reading this article, or any other, you will be financially secure. The steps you take to ensure your financial security must be taken by you and no one else. I assure you that your future financial security is not hidden within a *YouTube* video or page 67 of a monthly financial magazine.

In future articles, I will suggest a number of actions you can take and integrate into your financial life. This will take work on your part. You cannot experience meaningful long-term personal and financial growth with a series of *one-off* actions that you think will help you prepare for retirement--it must be a coordinated series of actions that bring you ever closer to your goals. If you are thinking that you can *wing it*, you may as well proceed now to buy a lottery ticket! Further articles to come...

*Opinions expressed are those of Rodger Alan Friedman. All opinions are as of this date and are subject to change without notice.