

Rodger on Retirement

Retirement planning is complicated

As a chef, you might prepare a superb linguine with clam sauce. Perhaps you are an award-winning journalist, noted chemist, college professor or Colonel in the United States Army. You may be at the top of your game in your profession, but that does not mean you have the skill set or experience to create a strategy that will provide a growing stream of income for your retirement, which may last 30 or more years. Are you aware of the long list of very easily made mistakes that millions of retirees fall in to? Has anyone asked you to plan their retirement because they heard of your expertise in that area? Face it: you don't even know what you don't know. Recognize that you are an amateur and it is time to bring in a retirement planning professional.

Due to the overwhelming popularity of defined contribution plans, such as the 401(k) and the 403(b), and the decline of defined benefit pension plans, many retirement-minded investors are now in charge of their own retirement. The vast majority of savers in these plans are not up to the challenge of maximizing the benefits and growth opportunities offered. In other words, personalized advice on how best to invest these funds are either generally lacking or not taken advantage of. In the July-August 2014 issue of the Harvard Business Review, Robert Merton describes the investors plight as "...putting relatively complex investment decisions in the hands of individuals with little or no financial expertise is problematic... Thus it cannot be said that savers' funds are being well managed."

Investment professionals may craft a retirement investment strategy by combining the use of products such as deferred annuities, common stocks, REITs, subordinated debentures, treasuries, exchange traded funds (ETFs), master limited partnerships (MLPs), index annuities, mutual funds and municipal bonds. Additionally, they may utilize an active or passive strategy, or perhaps, a blend of the two.

Are the intricacies of asset allocation something you are comfortable with? Are you confident in your ability to create a strategy for the assets that have taken you a lifetime of work to accumulate? Have you considered a time segmentation approach such as an allocated bucket system to manage income and retirement plan distributions so as to stay in the lowest possible federal income tax brackets?

Additionally, there are dozens of claiming strategies available to you for collecting social security. Which is best for your specific situation? What about protecting your legacy assets from creditors once your beneficiaries inherit them? My point is, if you are not confident in your ability to navigate the complex issues facing today's retirees, then yes, it is time to turn to people that do this for a living. Retirement and investment management teams that have a CERTIFIED FINANCIAL PLANNER™ professional and Chartered Retirement Plans SpecialistSM, and decades of experience in working with people like you may just be the right choice for you.

*Keep in mind that there is no assurance that any strategy will ultimately be successful or profitable nor protect against a loss.

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