

Rodger on Retirement

The grim truth of retirement in America

When considering your future retirement, you want to enter into a collaborative relationship with someone who has tens of thousands of hours of experience planning and managing retirement portfolios. The range of issues and concerns that you will face in retirement is staggering. Many baby boomers have been hit with the twin issues of falling real estate prices, and the demise of defined benefit pension plans that would assure a continuous stream of retirement income. In addition to these, other issues include: the creation of an income stream in retirement that will increase at least as much as the rate of inflation, health care expenses, long-term care expenses, managing a sizable portfolio, managing retirement plan distributions, running out of money, and my personal favorite, adult children asking mom and dad for loans.

In reviewing a report published by the Society of Actuaries (SOA), entitled *Understanding and Managing the Risks of Retirement*, I found the following harsh truths:

- 96% of pre-retirees and 89% of retirees are concerned about their long-term financial future in retirement.
- 52% of pre-retirees and 44% of retirees have never met with a Financial Advisor.
- 77% of pre-retirees and 58% of retirees are concerned that the value of their savings and investments might not keep up with inflation.
- 66% of pre-retirees and 41% of retirees are concerned that they might deplete all their savings.

These statistics paint a grim picture. People are clearly concerned, yet half of us do not take any actions to enlist in the aid and counsel of a financial professional. Kind of reminds you of the husband insisting to his wife that he *does not need a map and they are not lost*. I recommend that you consider working with a team of professionals that can assist and guide you through the maze of retirement planning issues you will face. Notice I said "assist." These individuals are not there to do everything for you. They are there to work with you and help you make the best decisions given your circumstances, objectives, and risk tolerances. You never want someone, anyone, to do your thinking for you.

*The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete.