

Rodger on Retirement

Do You Want to End Up in Your Sister's Basement?

Positive thinking can be very helpful to all of us—it can help us manage stress, increase our level of happiness and boost our confidence. But it is only a tool to be used in helping us cope with all of life's aggravations, disappointments and, yes, failures which will inevitably come our way.

Thinking positively will not relieve you of the necessity to save and invest for your future. Everyone I know who is financially comfortable has "paid the price" for that comfort. Unlimited spending and poor money habits did not take them to where they are today. Their constant companion was prudent decision-making, delayed gratification and prioritizing what was important to them. I also know people who are in their 50's and 60's who have accumulated very little funds or, in some cases, none at all for their retirement years. They could have prepared and done the *same things* required of the successful people, only they didn't do them.

If you believe you are behind in your saving and investing for retirement, or if you have not begun to save at all, you are not alone. In fact, you have plenty of company. In a March 2015 report entitled "The Continuing Retirement Savings Crisis," issued by the National Institute on Retirement Security, authors Rhee and Boivie report that 40 million working-age households in America do not own any retirement account assets. This includes both IRA's and employer-sponsored plans. Additionally, they report that 62% of working households age 55 to 64 have retirement savings equal to less than one times their annual income. How would you expect to retire with savings equal to one year's income? I encourage you to review the report in its entirety on the National Institute on Retirement Security website, <http://www.nirsonline.org/>. Furthermore, the average American's income in retirement is a bit over \$1,500 per month. That is approximately \$18,000 annually. These numbers come from the Pension Rights Center and paint a scary picture. There will be many more people retiring with similar incomes in the not-so-distant future. I do not want you to be one of them. Walk into any retail store or restaurant and you will see many older folks working at menial tasks for near minimum wage. These people are not there of their own volition. They are there because they have *no choice*. If I cannot convince you to take significant steps to improve your future financial situation, you may end up with few alternatives as well.

Becoming aware of the potentially severe consequences if you do not make planning and

investing for retirement a priority is a great first step. I doubt you would look forward to being a greeter at a big box store in your golden years. Nor would you want to work side by side with hormone-raging, pimple-faced teenagers at the local fast food joint, silly hat and all, to make ends meet. Being 70 years old and trying to figure out a computer masquerading as a cash register is not my idea of a stress-free retirement. Most definitely, you do not want to end up in your sister's basement, or worse, your kids' basements because you had failed to plan and then run out of money. Explaining to your future granddaughter why you live in her basement is not a conversation you will eagerly anticipate. You will either have a plan for your future, or you will reluctantly be part of someone else's plans for you. Which sounds more appealing? Which allows you to chart your own course? Think about the kind of future you can build for yourself. Care about it so much that you begin to build that future month-by-month and year-by-year.

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