

## *Rodger on Retirement*

### 5 Essential Retirement Planning Lessons

On a daily basis I interact with some very smart people; Chartered Financial Analysts<sup>®</sup>, CERTIFIED FINANCIAL PLANNER<sup>™</sup> professionals and Chartered Retirement Plans Specialists<sup>SM</sup>. Add to that, weekly interactions with CPA's and estate planning attorneys. This is the world that I chose to immerse myself in decades ago.

Often our discussions turn to mistakes made in the retirement planning process by those who choose not to enlist the help of professionals. I hear horror stories of poor outcomes, lost opportunities and downright bad decision making. The common denominator in all the stories is the lack of ownership of mistakes made. In each case, the common thread is that an outcome *happened* to an individual. No steps taken to mitigate a poor result; no resources searched for and used, no professionals consulted. Personal responsibility was never part of the equation.

*How am I expected to know that? No one told me!*

*How should I know?*

Well, I'm going to tell you, right here and right now 5 threats to your future retirement security that you **must** be aware of. With awareness comes the ability to take action, and that is what I am asking of you; to take actions to protect yourself and your family from financial ruin.

- **Lack of planning** – Do you take a vacation without planning it out? Ditto for your child getting married, finding a new home or job change. You plan which stores to visit on a weekend shoe buying expedition. Why wouldn't you plan for the time when you no longer receive a paycheck? By the way, planning should not include your brother-in-law the auto mechanic. Seek out and interview several credentialed retirement planning teams. Hire the one you feel most comfortable with and begin the planning process.
- **Rising healthcare costs**- If I told you that healthcare costs for you and your spouse in retirement might exceed \$400,000 you might think I'm kidding. A new report from HealthView Services suggests that projected lifetime costs in retirement for Medicare Parts B, D, supplemental and dental insurance, as well as deductibles, hearing, vision, out of pocket and co-pays may top that amount. Want more bad news? This does not include the potential costs of long term care services such as adult day care, nursing home or visiting care takers.
- **Outliving your retirement savings**- This goes far beyond saving for a rainy day. The amount of assets you will need to accumulate for retirement is large by any measure. If you do not methodically save and invest for your future unemployment you will find yourself scrounging and having to do without many of the most basic necessities, and you can forget about luxuries altogether. If you run through your savings by age 73, and are "blessed" to live to 85, you will find very little to be grateful for. You don't want to end up in your sister's basement with your nieces and nephews wondering why you live "down there".
- **Low interest rates/market uncertainty**- Gone are days of 7% FDIC insured CD's, conservative utility stocks and unshakable blue chips. Investors are now presented with

sustained low interest rates (1.5% CD's anyone?), scary world events and less confidence in the US Government to solve the many problems our economy and country face. There are no magic pills or products for retirement certainty. What is necessary is a 360-degree look at the range of products and strategies available to determine how best to blend them together to suit your needs. You guessed it, comprehensive planning is a must and to cherry pick ideas in volatile markets is a fool's game.

- **Your cost of everything will rise-** By now you are well aware of the effects of inflation on your wallet or pocketbook. The costs of nearly all goods and services tend to rise each year. Your utility bills, cost of medications, a root canal and even everything in the produce aisle at your local supermarket. If you have a mostly static income in retirement, you will be in trouble. It is doubtful that Social Security benefits will fill the entire gap between your wants and needs and the resources available to pay for them.

You have heard it said that fore warned is fore armed. You can't say that nobody told you about the challenges you will face in retirement. Some of you are lucky enough that you have decades to prepare. Some are not as lucky. My recommendation to you is you best get started taking planning for retirement seriously as the clock is ticking and there are a whole lot more than 5 Essential Retirement Planning Lessons you still have to learn.

Rodger Alan Friedman has over three decades of experience designing and managing retirement portfolios and advising clients on retirement matters. For additional information and a free special report on preparing for retirement, please call 1-844-3-MY-PLAN or visit my website:  
[RodgeronRetirement.com](http://RodgeronRetirement.com)

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