

Rodger on Retirement

Retirement goals and common sense

If the objective in retirement is to maximize the sustainability of income, investors are faced with a number of very important choices, not the least of which is “what do I need to know that I do not currently know?”

First, don’t believe for a minute that there is a secret society that possesses the magic bullet solution to the problem. To the best of my understanding, there is no such organization and you best learn that right up front. In my continual search for reasonable solutions I have learned that some of the best retirement planning is based on a strategy that *blends a mixture* of investments and products. To my knowledge, no one investment possesses all the necessary characteristics at attractive pricing to do the job of maintaining a lifestyle sustaining income for a potential 3 -decade joint retirement. During my 30 plus years of preparing retirement income plans as well as advising and coaching concerned investors, I have witnessed many successful and unsuccessful outcomes. In a nutshell, those that were successful were willing do things that the unsuccessful were unwilling to do.

Many of the most successful retirement investors I have met share a number of *behavioral finance* beliefs. Among them are:

- A willingness to keep an open mind and to explore ideas, concepts and strategies that are unfamiliar to them
- Embracing the idea that different parts of their portfolio may be designed to serve different purposes- for example, needs in years 1 through 5, needs in years 11 through 15, legacy, etc.
- Becoming comfortable with the idea that various elements of their retirement portfolio will exhibit different risk profiles
- An understanding that portfolios that are primarily based on fixed income strategies might carry greater long term risk than previously thought
- They acknowledge the necessity of designing retirement portfolios that have the ability to potentially produce ever increasing levels of income as their annual expenses continue to rise due to inflation
- They acknowledge that they might be highly accomplished in their area of expertise, yet may be an amateur when it comes to retirement planning -they elect to bring in experienced and credentialed retirement planning professionals

For some, the ability to come to terms with the above ideas is well outside their comfort zone. They believe that assistance is not needed and they can save money by following advice found in national magazines. I fondly remember my dad telling me that common sense is not so common, because evidently, not many people have it. Common sense should tell you to seek advice in areas where you lack knowledge and experience. For more decidedly rational advice on retirement planning and best practices, please pick up a copy of my book “Fire Your Retirement Planner: You!”

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