



The Importance of Planning for Retirement

What's the Big Mystery?

Retirement is no mystery, even though it may seem elusive or even out of reach. Since the beginning, eventually all men and women get to an age or a situation when they can no longer maintain their careers. Whether it was the 18th century carpenter who passed his business on to his children, or the 19th century farmer who faced a five-year drought and went bankrupt—careers can and do change without warning.

The twentieth century brought new possibilities to retirement. With the right planning and preparation you can retire from work, how and when you choose. Then enjoy the Golden Years of your life or maybe even write that Great American Novel you've always dreamed of.

Your American Dream

In this modern era, retirement is seen as the American Dream. You may look

forward to a time when you no longer need to work. You may want to move away from the 9-to-5 grind, and follow your lifelong dreams. You can begin a fresh and vital phase, one filled with exciting possibilities.

With the financial resources available to us today, the quality of your retirement depends on one simple thing: Your Plan.

A good financial plan helps pave the road to your dreams.

PLANNING—The Most Important Tool in your Toolbox

Everyone has his own goals for Retirement. Do you want to:

- Pursue a new full-time career during your retirement?
- Continue working part-time?
- Perform volunteer work?
- Buy a motor home and travel the country?

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Be prepared for Retirement

It's no secret that worldwide government-run retirement systems are a mess. The main problem is not just the systems themselves but poor planning and execution on the parts of the politicians, and the people they intend to serve..

Today, 14 million seniors in the U.S. rely on Social Security to keep them out of poverty, and for some it is their only income...but the average yearly Social Security payout is only \$14,000 a year. Is that your idea of a comfortable retirement? Not only that, but the situation is slated to get worse.

Social Security accounts are expected to be completely expended by 2036. That means it will only be able to pay out in benefits what it takes in through taxes, forcing an immediate 25% cut in benefits, while the cost of living continues to skyrocket.

It is time to take responsibility for your own retirement so that you can have the kind of future we all envision—a life of dignity independent of decisions made by bureaucracy.

According to HSBC's 2011 global report on the future of retirement, individuals who make a retirement savings plan (and follow through with it) have 245% more in retirement funds than non-planners. Taking a little time today to plan for tomorrow is well worth it!

EDUCATION

NEWS & REVIEWS

Planning for Retirement

- Be financially secure even with medical bills?

Obviously, this list could go on and on. Planning and preparation are the key tools you use to effectively face the challenges of retirement.

What Does Your Toolbox Look Like?

Imagine you could go into every garage in America, and open the toolboxes. No two would be alike. One has an antique set of socket wrenches, another has an electric drill. Everyone approaches the same job in a different way.

Likewise, there isn't one right set of plans to help you prepare for retirement. You're unique. No one else has your perspective, sensibilities, interests, or experience. Only you can fill your toolbox with the proper tools for the job. You must prepare yourself to retire.

Past, Present, and Future

Let's say Dave and Marie decided to retire at the same time. But like many Americans, maybe they didn't start thinking about retirement until they'd been married for decades. The kids are grown, and they both have things they've wanted to do for a long time. It would be difficult for them if they hadn't worked together planning their finances and retirement. What if Marie only had a small savings account, and Dave hadn't set aside anything?

Working until further notice

Since their savings and Social Security wouldn't support them—let alone their dreams—Dave and Marie would have to continue working for several more years. Even if during the last few years they saved most of their money, it might be difficult to ever retire comfortably. Especially since they would've lost the benefit of putting the power of interest to work for

them over many years. The moral of the story is... Start Planning Now!

Seize the Opportunity

Luckily for Dave and Marie, they learned to master their finances early enough to live out their dreams. They embraced the opportunity to get out of debt and put interest to work for them. At the age of 50, Marie started a small bakery, and sold pies and pastries part-time. Dave opened a guided fishing business, and consulted on the side when it was convenient for him. They had a great time traveling together and getting to know their grandkids.

Live Your Dreams

If you want a successful retirement, you've got to plan. You must do the same for your future retirement needs. As you gain new knowledge and experience, you must continually review and revise your plans.

As you make your plans, consider your past—learning from mistakes and taking notes. You'll come to know

yourself better—in the present. You'll also come to know what kind of person you want to be in the future—during your retirement. Once you understand the “job” at hand, you can make smarter decisions in selecting your tools.

The First Step

As you begin to take charge of your future, your attitude toward retirement becomes more positive. This Workbook helps you to realize the most important issues in your planning. You'll evaluate your present lifestyle and your goals for the future.

If you're not alone... your retirement plans may affect other people in your life. Remember Dave and Marie worked together. The success of your retirement plan may depend on more than just you. If you're married, work together on decisions and plans that will affect both your lives. Then you can support and encourage each other along the way.

REMEMBER: When you have the right tools in your toolbox, and use them effectively, you'll have a greater opportunity for success and enjoyment.

Getting to know you

To learn more about yourself, answer the following questions. Think about your likes and dislikes, skills and training, personal relationships, job, goals, and how you spend your leisure time. Write at least two insights per section and try to be as honest as possible with yourself.

I'm someone who...

Likes: _____

Dislikes: _____

Always wanted to: _____

Dreamed of: _____

Hopefully now you've got a clearer picture of who you are. It's a good beginning. Now you can look to your future and project who you'd like to be by retirement.

Where You Are Now—Versus Where You Want To Be

Change is Happening all Around Us

When someone said, “Change is the only thing that’s constant,” they were right! Change is everywhere. Picture what you felt like twenty years ago, compared to how you feel now. Have you changed? Look at the 1970’s price of gas compared to today’s gas prices. Change is everywhere. It’s a force of nature making the daylight and darkness, the planets spin, and your children grow up. Change is a major part of life.

There’ll be changes even while you prepare for retirement. Inflation will go up and down. The cost of living, travel, and education will probably increase. You’ll be better prepared for the future if you keep change in mind when planning your retirement.

Will Change Affect Your Retirement?

The best time to understand how change will affect you as you plan and prepare for retirement is now—in the present!

Who are you now?

You already learned you’re unique. No one else shares your exact experiences, characteristics, memories, or dreams. Knowing yourself better helps you understand what types of changes might affect your plans for retirement. Fill out the information in the Getting to Know you box on the right.

Who would you like to be?

Now who would you like to be? Imagine it’s 10 or 20 years from now, or whenever you’ll want to retire. Picture you’ve been retired for a short time, and you’re being introduced to a group of other retired people. They want to know all about your interests, goals, hobbies, and how you spend your time. Think about your answers from the last exercise. What do you want to build on or change?

Whatever you can dream of or wish for, you can prepare to become. We’re all part of a changing world. With enough effort and planning you can be prepared.

You’re Part of Global Change

The senior citizen age group is growing rapidly. In 2010, the over-65 age group reached 40 million people in the United States. If you are part of this expanding community, you need to consider the changes in the world since they can affect your retirement plans.

Spend some time thinking of the many roles you’ve already experienced in your life—roles in family, school, work, and community. Many new roles come with retirement. You’ll need to learn how to incorporate your changing roles.

Changing Roles

Your retirement can be a positive experience. Develop an optimistic attitude and make up your mind to be happy. Get involved with people who’ll affect your retirement in a positive way. The following sections discuss the various people and situations that may affect your success and enjoyment in retirement.

Your Support Network

This is your family and the friends, neighbors, colleagues, clubs, and religious groups you’re involved with. Each member of your support network adds something to your mental and emotional health—recognition, companionship, love, opportunities for service and being part of a team.

As you make your retirement plans, think about the individuals within your support network. Try to determine whose support may change or who may be lost entirely. For example, many people have close relationships and friendships with their co-workers. Will you enjoy life without

your co-workers, or can someone else fill that role?

The Married Life

Marriages are always changing and evolving. Retirement can place unexpected strains on your marriage. You may suddenly find yourself spending more time with a partner who you hardly ever saw before. With communication and caring, your spouse can be your closest friend and most valued supporter.

For example, Marie may not bring Dave to her book club, and he might not take her fishing with him every trip—but they can pursue shared interests. The following suggestions may help you plan for some possible changes retirement may bring:

- Plan your retirement together and be supportive of each other. Discuss finances openly and work together to agree on your retirement plan.
- Develop new activities and routines; learn to make spontaneous decisions. More freedom to do things brings some of retirement’s greatest joys.
- Build friendships—help each other rediscover old friends and find new ones.
- Share roles by exchanging or dividing household chores. You can create new ways of thinking about your lives and understanding one another better.
- Respect each other’s privacy. You each need a space or sanctuary for pursuing your own interests or hobbies—somewhere like a den, workshop, spare room, or sun porch.
- Above all communicate and listen openly to each other. Be thoughtful when addressing problems, or offering suggestions.

The Single Life

For the majority of older people, being single is the result of divorce or

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ARTICLES

TIPS & TRICKS

Where You Are Now—Versus Where You Want To Be

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the death of a spouse. And some people choose not to marry at all. The single-life presents its own special challenges in retirement and should be considered.

Loss of a Spouse

If you're married, retirement preparations should include the possibility one of you will most likely die before the other. Death or illness may be hard to discuss, but if you plan together in advance, it's comforting to know you've already made many of those difficult decisions together.

Plan Together

Take some time and discuss the changes you've read about so far. Be open and honest, remembering to listen. You may also wish to discuss these important issues:

- You each need to have your own personal will.
- Make a list of all your assets, their location, and how you want them distributed in the event of death (including property, bank accounts, stocks, bonds, valuables, heirlooms, family records etc.)
- Make a realistic estimate of income and expenses for each surviving spouse.
- Create a list of professional advisors who can help with decision-making and emergencies.
- Make a legal record of your medical wishes in the event you can't communicate.

- Research help groups for seniors in your community and support groups to help if needed.

Dealing with Unexpected Family Problems

Many people expect retirement to bring more freedom, privacy, and leisure. However, you may end up with new responsibilities affecting your freedom and finances.

Be Prepared

What if you need to care for an aging parent or help a younger sibling financially? You never know how family bonds may change your financial situation. This may have an impact on your retirement plans. Assuming new roles in the middle of retirement isn't unusual and needs to be considered.

Consider the following:

- Retirement plans need to include preparations for what you will do if unexpected circumstances arise, such as a less fortunate family member who needs your help.
- Think about relationships with your parents, siblings, and children. Could you help them financially? To what degree? Don't over-extend yourself.
- Be realistic and strengthen family ties. Then the burden of helping family members can be shared by all.

- Plan how you can balance your own needs with those of others within your family.

Always Think Young

You're only as young as you think you are. Retirement can provide you with many opportunities to interact with young children and teenagers. You may find your younger friends love to hear your stories or learn a new skill from you. And you certainly have stories to tell and skills to teach.

Stay Active

Volunteering in schools, recreational activities, or assisting organized youth groups, helps you keep a young perspective during your retirement. Have you been hiking in the mountains lately? Often, you'll see groups of hikers ranging from twenty to 60+ years! Staying fit and active will keep your mind and body healthy and happy.

Thinking young and staying active may be your key to enjoying retirement! ■



Business Hours!

Monday-Friday: 7:00 a.m.-7:00 p.m.

Saturday: 8:00 a.m.-12:00 noon

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