



Getting retirement right the first time is critical.

Are these 4 key items in your retirement plan?

No. 1 Discover how much income you'll need in retirement

Most people tell me, well this will be easy I won't spend nearly as much in retirement! For those that believe that, I have to ask, do you spend more per day during the week or during the weekend? It's normally the weekend. That's when you go do things. When you're retired every day is weekend! I don't recommend planning to spend much less in retirement.

Take a look at your income you have right now. Got it? Okay, now subtract your retirement contributions. You won't be saving that anymore so you don't need that income any longer. What I mean by that is if you make \$70,000 a year and save \$8,000, you really only take home \$62,000 in taxable income. Now what other bills will you not have when you retire? You're mortgage maybe? Subtract the bills you won't have anymore. For example, if your mortgage is \$800/mo that is \$9,600 in payments you won't be making any more so it's money you won't need anymore. We started with an income of \$70,000 and subtracted our retirement contributions of \$8,000 and now subtract bills you'll no longer have (i.e mortgage, debt etc.) \$9,600 and we're left with an income need of \$53,400.

Everyone's situation is different; you must examine your own income needs on an individual basis.

No. 2 Know What Social Security Can or Can't Do for You

Baby Boomers tend to be heavily reliant on Social Security, or at least plan to be when retirement comes around. The problem with this is that you may not receive the benefits that you think you will. Most people tend to overestimate this number and then become rather aback to find that what they actually receive is a lot less! To learn what your Social Security retirement benefits will be you should consider opening an account on the Social Security website, www.ssa.gov

That's not to say that Social Security doesn't provide you with enough retirement income to pay living necessities, nor is it something that should be ignored. At the end of the day, it is merely one piece of the entire retirement planning puzzle. It is important to note that your monthly benefits will fluctuate, so always make sure that your estimate is conservative. If you have further questions or concerns regarding you Social Security benefits visit a professional Financial Advisor or call Social Security Administration for guidance.



**Protecting & Creating
wealth, that's our goal.
Putting our clients first,
that's our guarantee.**

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No. 3 No. 3 A plan for Withdrawing Your Savings

One of the biggest downfalls about retirement is the fact that you are not actively making money like you used to when you worked full-time at your career. This means that you will now be dependent on your retirement savings for income and we can agree you don't want to have to go back to work when you're 80.

People are living longer and longer and there is now a significant chance that you will be living into your 90's. This is great, however this also causes many problems with the fact that your savings needs to provide income for nearly 30 years as well as being there as a source of funds for emergencies.

Over this time span you'll likely need an increase in income to maintain your standard of living. Not necessarily because you'll buy more but because of inflation. If we use the financial rule, The Rule of 72, we can tell how long it will take for your money will have half the buying power it does today. If we use a 3% inflation rate we would divide 72 by 3 to get 24 years. Your money will have half the buying power every 24 years. Remember we talked about living into your 90's? you need to be prepared for rising costs of goods.

What does all of this mean? It means that you need to understand that you should only plan to withdraw a conservative amount from your retirement savings annually, with the understanding you'll need an increase in income later in retirement, so that you don't end up going back to work in your 80's.

No. 4 The fact of the matter is that you are not likely going to be able to do it alone.

Unless you are a financial guru with tons of experience, you are going to need some help and guidance with setting up and following a comprehensive retirement plan. (remember, you only get one chance at this).

There is nothing wrong with doing your own reading and research. Self-education is one of the greatest gifts that you can give yourself in any area of life. However, you are better off having a professional opinion on how you should be handling your retirement planning. This is a new stage of your life that you are entering, and it is best to enter it with somebody who has the knowledge, tools, and resources that you will need to succeed. These professionals will be able to assess your individual situation, help you determine how much needs to be saved, and anything else that it will take to ensure a seamless and stress-free retirement.

Friends and family can be helpful in providing useful advice, but you should first and foremost seek guidance from a professional that has the experience insight to help you plan your future.