Financial Planning:

According to the Boston College Center for Retirement Research, “working longer is the key to a successful retirement for most households.” It’s important to understand that working longer doesn’t necessarily mean working forever.

The report goes on to note that while most households are unprepared for retirement at age 62 (the earliest you can take Social Security), those that work until age 70 substantially improved their “retirement readiness”. Increased longevity, less physically demanding jobs, and better overall health, means people who have the ability to work longer may want to consider the option.

For members of the clergy whose retirement age tends to be slightly later, this creates a real opportunity for those willing to plan accordingly.

Whether its retirement income planning or long term care planning, it’s never too soon to review your retirement objectives. Reviewing your assets and your current income can help you calculate how much income you think you will need once you are retired. A financial planning analysis will also help you anticipate how much additional income your savings can reasonably be expected to provide, in addition to any pension or Social Security income you may receive.

If you have a number of years before retirement, it’s important to consider a portfolio that is in line with your risk tolerance, but also one that will provide sufficient long term growth to provide a hedge against inflation.

If retirement is somewhat sooner, the importance of making sure you understand your income needs and where your income will come from (i.e. Social Security, pension, personal savings) is crucial to the success of your plan.

No matter where you are in the planning process, it’s important to look for any changes that need to be made, and you should monitor your plan over time to help you stay on the path to a successful and fulfilling retirement.

Please see the enclosed checklist to get a sense of where you should consider starting your plan.

Planning in your 40's

As you move into this phase of your career, your ability to grow your income is going to increase. While there will be lots of pressure from other unanticipated expenses, saving for retirement may become a secondary consideration. Don't let it. Here are some things to consider:

1. Review and Refine

- **Review your retirement planning**
  - Make sure you are saving enough to retire when you want to
  - Confirm that your portfolio and asset allocation strategy is in line with your goals
- **Protect yourself and help others protect you (if need be)**
  - Check that the beneficiaries on your retirement accounts are accurate
  - Make sure you create and update your estate plan (will, general durable power of attorney, medical power of attorney, and living will)
  - Do an "insurance check up" to make sure you have the appropriate levels of life, homeowners, and other insurance to protect you from the unexpected
- **If you have assets from a previous employer, do not forget to incorporate those assets into your current retirement planning. (Don't forget about them.)**
  - Be aware that taking withdrawals from your retirement plan can carry not only high taxes, but also early withdrawal penalties, and can significantly set back your retirement planning
  - Consolidate assets that you might still have in a previous employer's retirement plan, and roll them into your current employer's retirement plan or an IRA

2. Prioritize saving for retirement

- **Take advantage of the tax benefits retirement planning offers**
  - Contribute to an IRA or a Roth Ira every year.
  - Make sure you consolidate retirement account to improve the management of the assets
- **Find out how long your savings will be able to provide income** and determine if you need to save more with a Retirement Review
- **Consider saving part or all of any, or other lump sum payments into your retirement savings (bonuses, tax refunds, etc…)**
- **Don't assume that your current retirement plan contributions are enough, it's better to be safe than sorry**

- Depending on your retirement goals, you might need to be saving more than 10% of your income (possibly 15% to 20%) while in your 40's.
- Consider contributing to an IRA or Roth IRA as an additional way to meet your savings goals.

3. Protect your retirement savings from short-term needs

- **Strengthen your emergency fund**
  - You may want to set aside six months or more worth of your living expenses in a savings account in case you have an emergency.
  - This doesn't have to happen right away — chip away at it over time.
- **Pay down debt**
  - Consolidate high interest debt into the lowest interest rates available. Pay off as much as you can each month.

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Solares Hill Advisors
www.solareshilladvisors.com
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617-306-1572