



**ASK AN EXPERT
FINANCIAL PLANNER**

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PLANNING FOR RETIREMENT

Like many people, I am nervous about my future retirement. I have also heard from retirees that there were many aspects of retirement they unfortunately didn't properly account for. In your experience, what are the main areas of retirement planning that should be addressed?

I CAN'T STRESS TO you enough the importance of planning properly for your retirement income. Without proper planning, you will not enjoy the comfortable and worry-free retirement you deserve. Here are some important aspects of your retirement income plan to keep in mind:

INFLATION

Most people don't realize the effect inflation will have on their retirement income. For example, you determine that you need \$100,000 per year of retirement income at age 65. Over the next 20 years, assuming inflation of 3 percent, your retirement income needs would increase to over \$180,000 at age 85. Don't underestimate the effects of inflation.

TAXES

Taxes will also have quite an impact on your retirement income. It is absolutely imperative that you understand the effect of taxes on your future income and implement strategies to minimize them. Again, I can't stress to you enough the importance of utilizing whatever strategies are available to maximize your retirement income.

LIFE EXPECTANCY

A common mistake people make in retirement planning is basing their plan on living to what they believe to be the average life expectancy. Remember that the average life



expectancy figures are just that: averages. The average life expectancy for retirees may be 85, but that doesn't mean you can ignore anything past 85. Plan your retirement income well past your life expectancy.

DIFFERENT EXPENSES AT DIFFERENT AGES

In your 60's, you may dream of traveling the globe. Once you're past your early seventies, however, you're likely to discover that your desire to be jet-setting has changed to a yearning for the comforts of home. Similarly, you may find that swinging a golf club every day is no longer a pleasure once you've hit 75. On the same note, costs for health care, including daily living, may increase with age. The key is to ensure your planning isn't based on a fixed amount of income through-

out your retirement years. Your lifestyle and expenses will probably change...be sure to plan accordingly.

MONITORING AND UPDATING

Things change, both before and during retirement—everything from tax rates to income needs. Complex calculations need to be done, and communicated to you in an easy-to-understand manner. Ensure that your retirement income plan is continually monitored and updated by a qualified professional specializing in retirement planning.

Everybody's vision of retirement is different. Whatever your particular vision entails, keep these important areas in mind and your retirement years have a much better chance of remaining secure, comfortable, and worry-free. **■**