

Winning In Retirement

Having grown up just east of Gary, Indiana and about 40 miles from downtown Chicago, I am still a fan of their professional sports teams. This can be a good thing if one of your teams is the Blackhawks and they win their third Stanley Cup in 6 years. It can be a test of true allegiance, if one of your teams is the Cubs.

In both instances there are things to do and things to avoid that tip the scales in favor of winning outcomes. Your retirement success is similar and in this issue we'll focus on a few things to avoid. An article by Evan Simonoff was titled "Why Clients Fail At Retirement", but let's rather focus on what we can do to succeed, shall we?

Tough Love

An acronym, KIPPERS (Kids Invading Parental Pocketbooks, Eroding Retirement Savings), has developed in the past few years to accompany the phrase "failure to launch". Helping a child through a rough patch is a natural kindness. Unfortunately, sometimes once those purse strings are opened, it can be very difficult to close them. Encouraging the struggle that is natural on the path to independence can be important to retirement success for parents.

Wildcard

Planning for possible healthcare expenses from age 65 to the end of life is one of the great financial unknowns of retirement. Long term care for Alzheimer's and other ailments can involve extensive expenditures. While we all hope to go quietly and peacefully in our sleep, having been the picture of health up to that point, estimates of average expenditures for healthcare in retirement tend to come in at \$200,000+ per person. Also, you now have time for exercise, rest and good nutrition. Make choices that will improve your health and possibly reduce your need for healthcare.

Have Fun, But Be Frugal

Like the rest of life, chances are that you will need to be careful with your money. Savings and investments often replace paychecks and these need to last your lifetime. To be safe these should continue to grow modestly in retirement. Spend these down prematurely and they can go before you do. Trying to spend your last dollar on your last day can backfire, especially if you are given more days in your life.

Katy Bar The Door!

It is sad, however there are those who prey on the elderly, gaining their confidence and then taking advantage of them. It may be wise to have your own "Board of Directors", a few people you call on to review items where more than \$500 is involved. In today's connected world, it is also possible to do web searches on people to get a better idea of just how trustworthy they might be.

Certain Things Should Be Rented

The appeal of owning a second home is undeniable. All of us know people who spend summers in one location and winters in another. Given enough assets and income this is certainly a possibility. Often however there can be a drop off in income in retirement and it is easy to underestimate the continuous cost of maintaining this second residence. This is not to say you shouldn't live that dream, rather that the full impact of it should be analyzed in advance. Renting may be an interesting alternative for comparison purposes.

Enrich Your Marriage If At All Possible

In the same spirit as the second home putting pressure on retirement finances, a divorce creating separate households has a similar detrimental effect. Two of almost every bill will naturally cost more.

Protect What You Have Saved

At age 50, I bought into a business. Taking on employees and business risk is such an American thing to do. It is one of the characteristics that makes this country great. Business success can mean riches. At the same time, business liabilities and costs can often mean losing far more than your original investment and possibly large legal costs. If a business venture calls out to you, you have my admiration.....and please come talk with me and visit with a good attorney about putting a firewall up between the venture and the rest of your networth.

Bottom Line

Having just finished Bill O'Reilly's book "Killing Patton", I am reminded of part of one of the General's pep talks where he observed that "Americans play to win **ALL** the time!". In addition to saving, investing and budgeting effectively, there are a few other things to do and pitfalls to avoid. As a financial advisor, it is particularly satisfying seeing people enjoy a secure retirement. Hopefully a few of these ideas will help you win in this way.

Your Feedback

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of

course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

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