

COMMON PITFALLS IN YOUR RETIREMENT PLAN

Procrastination

Not having a written Plan

Listening to the Wrong People

Accumulation Advisor vs. Retirement Advisor

Investing like you're 30

Q1. With so many years helping clients plan for retirement, what is the most common pitfall you see in clients planning (or lack thereof)?

A1. Most of mistakes I see are by people who have already saved a lot but they are taking unnecessary risks that often times lead to losses. These risks Market Risk, Fee risk, Withdrawal Rate Risk

Q2. You mentioned fees as a risk. Can you explain?

A2. Many clients have cash assets inside their current employer's or former employer's 401k plans. Unknowingly, they are paying high 401(k) Fees. According to SmartAsset, 401(k) participants paid an average all-in fee of 2.22% of their assets. These percentages may sound small, but they can make a big impact.

Or other advisor fees.

Q3. We discussed off set the difference in working with a Retirement Income Advisor versus a general financial advisor. Can you expand?

A3. Continued loyalty to a current financial advisor versus the success of one's retirement. At or near retirement it is imperative to use a specialist to advise on income planning...not asset accumulation.

Q4. How does procrastination create a potential problem in one's retirement planning and what can someone do if they fear they've waited too late to get started?

A4. I can't tell you how many people I run into who continue to procrastinate. First step sometimes is the hardest step. Get started, call someone, don't do it alone.



Q5. You mentioned that even those who have saved a lot still make mistakes when it comes to retirement planning...or really, a lack of planning. What comes to mind for you?

A5. Not considering health care costs down the road. Long term care planning, legacy and estate planning, being efficient with that. Don't just leave it to chance or the courts to decide for you. (explain probate process)

Q6. Procrastinating, taking too much risk, not considering health costs...all extremely important. What concrete suggestion can you give the viewers about what they can DO to take away the unknowns of retirement?

A6. Create and execute a written plan. A dream without a plan is a wish. You should know exactly what every investment you own is going to do for you in retirement.

Q7. Parents, friends, neighbors, your brother-in-law, everyone seems to have advice about what's best for you. To be honest though, I wouldn't get an eye exam from my cousin, he's a painter. What should someone do with the "advice"?

A7. We all have well-meaning people in our lives but get your advice from professionals who do this every single day

Q8. Some of that "common advice" I've heard is that a lot folks expect their expenses to drop in retirement, do you find that to be true?

A8. No, in fact the opposite. 20 years of inflation, everyday is Saturday, increase health care costs...this is a dangerous way to think before going into retirement.

