

Optimize Your Assets - Winning the Retirement Game

January may have you thinking of New Year's resolutions, wondering what the new year will bring, or for many the climax of the football season. It's also a good time to think about the climax of your earning season, your retirement. Will you reach your goals in the second half of your life? Or find yourself in career overtime making up for lost ground?

Social Security may be around when you retire, but will it provide enough income for your retirement years? Fewer employers today offer a company pension plan that guarantees you a specific income at retirement. People are living longer and must find ways to fund those additional years of retirement. Such eye-opening facts mean that today, sound retirement planning is critical.

But there's good news: Retirement planning is easier than it used to be, thanks to the many tools and resources available. You can do it alone or hire an expert. Here are some retirement "blocking and tackling" basics to help you win the retirement game.

Determine your retirement income needs

Many experts suggest that you need at least 60 to 70 percent of your pre-retirement income to maintain your current standard of living in retirement. This is a general guideline. Some retirees spend more during the first few years of retirement enjoying their new found freedom or taking those long anticipated vacations. Unanticipated long term care needs can be an "asset interception", reducing your retirement assets sooner than expected. To determine your specific needs, estimate your annual retirement expenses taking into consideration spending changes during your retirement years.

Calculate the gap

Once you have estimated your retirement income needs, take stock of your estimated future assets and income. These may come from Social Security, a retirement plan at work, a part-time job, and other sources

Figure out how much you'll need to save

By the time you retire, you'll need a nest egg that will provide you with enough income to fill the gap left by your other income sources. But exactly how much is enough? An experienced financial coach may help you anticipate how much is enough.

Build your retirement fund: Save, save, save

When you know roughly how much money you'll need, your next goal is to save that amount. Starting early lets the power of compounding interest work for you.

Understand your investment options

You need to understand the types of investments that are available, and decide which ones are right for you. If you don't have the time, energy, or inclination to do this yourself, hire a financial professional.

Use the right savings tools

There are many retirement saving tools, IRAs, Roth IRAs, 401Ks, Annuities, just to name a few. They all have different components. Understanding how these saving tools will work for you before and during retirement is a necessary decision process.

Are you favored to win the Retirement Game?

Having a game plan for your retirement may increase your chances for attaining your dreams. You need the right players, trusted advisors in the areas of law, accounting, finance, insurance and real estate. You need the right playbook of investment products and services. And you need a coach who can bring the team together and tell when it's time to stick to the game plan – and when it's time to try something different.

When selecting a financial advisor, select someone that will work with your existing team of professionals or help you recruit the talent you need. Winning or losing the retirement game is up to you. Good Luck!

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