

# RETIREMENT CAN BE THE ULTIMATE VACATION... IF YOU PLAN AHEAD

## DESIGNING AN INVESTMENT STRATEGY THAT CAN HELP YOU REACH YOUR GOALS



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When you decide to take a vacation or go on a trip, the first thing you do is research your destination and develop a plan in order to ensure a safe, enjoyable time. Makes sense, doesn't it?

If only people put as much time into planning their retirement as they do for their vacations!

Unfortunately, this isn't usually the case. It's a common saying that "most people spend more time planning their vacation than they do their retirement." That's a problem, because the average vacation only lasts a few weeks. Your retirement, on the other hand, can span *years*.

Retirement is probably the longest, most important "journey" you'll ever take, yet many people don't devote the time and attention necessary to actually map out where they want to go – and how they'll get there. "Saving money" is an admirable goal, but it doesn't really qualify as a "plan". So, how do you go about actually designing an investment strategy that both truly reflects your goals and effectively guides you to them?

### IMPORTANT QUESTIONS TO ASK YOURSELF

Retirement is about finally having the opportunity to focus on *living*. It's no longer about getting ahead in life, but about experiencing life itself. For that reason, retirement should be fun. It should be enlightening. It should be rejuvenating. Above all, retirement should be...whatever it is you want it to be!

However, there are many people who never take the time to dream. They never create their bucket list. Just as importantly, they never stop to consider what they *need*, what important decisions they'll have to make in the future. Too often, we go through life thinking "I'll cross

that bridge when I come to it.” But some bridges are shakier than others, or come with tolls to pay before you cross.

For instance, see if you have the answers to these questions:

At what age do you plan to retire from full-time work? Do you intend to continue working part-time, or perhaps volunteer on a regular basis? If you are married, what is your spouse’s retirement schedule? When will you apply for Social Security benefits? (There are more options available for Social Security enrollment than you may realize, especially for married couples, so it’s important to understand all of the ramifications *before* you make that decision.) In other words, *when do you expect this journey to begin?*

Are you going to need to make renovations to your home – or maybe downsize – so that you can remain independent? Do you anticipate the need for some type of assisted living facility? Maybe you plan on moving cross-country to be closer to your children and grandchildren. Perhaps cruising across the country in a motor home is appealing to you. *Where are you going to live when you retire?*

Do you dream of touring Europe in your golden years? Would you like to spend winters in a more temperate climate? Maybe you want to make sure you can buy a new car every two years. Are you planning on paying for a grandchild’s college education? Is leaving an inheritance for your heirs a top priority? *What do you expect to do with your money?*

## **IDENTIFY YOUR RESOURCES AND OBLIGATIONS**

Once you’ve answered these questions and determined where it is you want to go in life, it’s time to figure out what it will take to get there.

Start by identifying your existing resources. Do you expect to have continuing income from full-time or part-time work? What will be the amount of your monthly Social Security benefit? Again, understanding the options and making smart decisions about the timing of your Social Security application plays a critical role. Will you be receiving a monthly pension? Do you have a 401K, IRA, annuity, or other form of retirement income? Are you planning to liquidate any substantial assets such as a home or other property? *What are your sources of income and how much money will they produce?*

Next, determine your needs and obligations. Will your house be paid off when you retire? How much will you have to pay in taxes or rent each year? Will you be debt-free or still have ongoing obligations that must be met? Have you calculated a reasonable estimate of your monthly living expenses such as food, clothing, utilities, phone/internet, transportation,

maintenance, etc.? How much should you set aside for life and health insurance premiums and medical expenses? *How much money must be budgeted for necessities?*

## MAKE A PLAN

Once you've determined your retirement goals and identified your projected income and expenses, you can create a realistic plan for the future. An important part of the plan will be your investments.

Investments such as savings accounts and CDs are considered "safe", but interest rates are so low that they provide very little return. In fact, they may not even provide enough to help you stay ahead of inflation. In today's economy, most people need to consider other investment options in order to grow and maintain sufficient savings to last for 20 to 30 years of retirement.

Most experts recommend that you spread your money among a range of investments so that your portfolio is "diversified." This helps reduce risk as the markets move up and down. But where to start? How do you decide what investments are appropriate for your specific circumstances? The array of choices can be daunting: individual stocks and bonds; stock and/or bond mutual funds; index mutual funds; professionally managed portfolios; IRA; Roth IRA; annuities; secondary market annuities; gold or silver; real estate; life insurance; long-term care insurance. Also, your plan must address not only how to **save** for retirement, but also how to **maintain** your money *after* retirement. Even as you're withdrawing money to pay your bills and obligations, you should be trying to grow your remaining money to at least keep up with inflation. *Maintaining, investing, and diversifying your assets is a critical process that should continue throughout your life.*

## GET HELP

Because managing money and planning your financial future can be so complex, a **professional financial advisor** can be a valuable partner in your journey. Think of a good advisor like a good travel agent – someone who knows all the tips and tricks, and can save you both time *and* money so you can concentrate on *living* life rather than worrying about how to pay for it.

Having an advisor with extensive experience and knowledge of a broad range of investment options is crucial to navigating your way through the ever-changing investment landscape and staying on track with your goals.

Paul Fair, a National Social Security Advisor, understands the importance of sufficient retirement planning. For Social Security, he can generate a personalized report that presents a complete list of your options based on your specific status and the age at which you plan to apply for benefits so that you can potentially maximize your retirement income. If you're

interested in a full financial overview, he can produce a clear and concise analysis of your current monetary situation. That information can also be used to present a number of “what if” scenarios to help you see how changes to your current or anticipated status can affect your lifestyle and retirement.

As a financial planner with over 24 years of experience, Paul is well-qualified to help you consider all of the investment variables and options while simultaneously developing a successful retirement strategy tailored to your personal circumstances and goals. Seeing the big picture and making good choices can make a profound difference in the quality of retirement for you, loved ones and your legacy.

Whatever you decide to do, remember: retirement can be the ultimate vacation...*if* you plan ahead! Start by calling Paul Fair today.

**Paul Fair is an investment advisor in Birdsboro, PA**  
*“Providing Retirement and Income Solutions”*

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