



5 Key Questions for Retirement Readiness

Preparing for retirement is exciting, but can also bring feelings of fearfulness as you are moving into new and uncharted territory. There are no do-overs in retirement, so it is important to be as educated and ready as possible before you trigger that special event. Here are 5 key retirement questions to ask yourself.

1. How will I want to spend my time? Retirement today is very different than retirement of yesteryear. In the past, it was more about sitting on the front porch in your rocking chair, watching life go by. Certainly some of your time may be spent this way, but retirees now seem to focus more on reinventing themselves and spending time doing what they love. Will you want to travel? Work part time? Pursue a passion? Launch a small business? Understanding how you want to spend your time is critical to planning the financial aspect of a strong retirement.

2. What are my health related risks during retirement? Some of the biggest issues that face retirees are expensive health insurance, personal medical issues, and high nursing home costs. It is important to evaluate health insurance, Medicare, and long term care insurance to determine what is right for you.

3. How much income each month will I need? There are many formulas out there to benchmark how much monthly income you may need, but there is no one “magic number”. Your amount should be aligned with the lifestyle you want to lead. The best way to determine this number is to look at your current spending patterns, and estimate what expenses will and won’t continue into your retirement years. Contact us for a Retirement Budget Worksheet to help you answer this important question.

4. How long will I need my money to last? Hopefully, a long time! While it’s impossible to accurately predict this, looking at the longevity in your family can be a place to start. Having some income sources that last a lifetime is ideal as it can take the guesswork out of longevity risk.

5. How do I turn what I have saved into income? This is often the hardest part of preparing for retirement. You have spent your entire life saving for retirement, and it is a huge shift to actually begin using what you have saved. Certain types of investments are better suited for monthly income, while others are geared more towards long term growth. Talk to an advisor who specializes in retirement income strategies to learn more about the best options for your portfolio.

The Sterk Financial Team has a specialized program for Financial, Retirement & Estate Planning. Our goal is simple – to help you strategize for the best retirement possible. Call us to learn how we take the complexity and uncertainty out of this life change, and help create clarity and confidence as you move forward.