

The Importance Of Having An Income Plan For Retirement

Do You Have A Plan For How To Use Your Retirement Money?

Saving for retirement is a very important component to retirement savings, but going along with that is the need to set up an income plan for withdrawing money that won't drain your retirement savings too quickly, putting you in danger of running out of money before the end of your life. According to a recent survey, 52% of Americans have no set income plan for retirement withdrawals. They withdraw from their retirement accounts at will on a need-by-need basis, without giving thought to how long their money must last to see them through until the end of their life.

As a result, 64% of those surveyed were concerned about the dangers of running out of retirement money, and not having enough with social security and pension plans to cover their expenses and needs during retirement.

How To Make An Income Plan For Retirement?

Income plans for retirement cannot be arbitrary and left to chance. Instead, they need to be made realistically based on income needs as well as the amount of savings a person has salted away for retirement. If running out of retirement income is a real concern, then it may be necessary to cut expenditures in an effort to preserve your nest egg.

Many of the near retirees surveyed stated that they had absolutely no clear idea how much they would spend each month during retirement. One idea to help give a person perspective on their financial obligations is to set a financial spending plan in motion prior to retirement, then give it a test drive so that you have the ability to tweak it before you officially move into the world of living on a fixed income. It is far better to make adjustments to your financial spending plan prior to retirement rather than after retirement when you have no ability to save more and increase the size of your nest egg.

Generating Income For Your Retirement

Once you establish a saving pattern for your retirement fund, the next step is determining how to generate an income to accomplish this. Each person has a different risk appetite, life expectancy, and estate wishes, and thus the allocation to stocks, bonds, annuities, pre-tax or after-tax IRAs, etc. may vary from individual to individual.

In addition to this, the rate of inflation, and the current interest rates may also play a role in which investments you longer, and you anticipate living well into your 90s, than it is sometimes recommended to allocate a greater percentage return and make your income stretch for a longer period of time than someone who is allocated to low-risk, low-yield investments.

Maximizing Social Security Benefits As Part Of Your Retirement Income Plan

In addition to personal savings, a person nearing retirement also has the ability to maximize Social Security benefits by utilizing many different strategies that can help you maximize your social security. Let Mark Turner of Wealth Management strategies prepare your complimentary Personalized Social Security Maximization report..

Having a solid income plan for retirement is absolutely imperative to achieve financial freedom during retirement.

*To learn more about establishing an income plan and to determine if you have enough set aside to make your retirement income last for the duration of your life, contact **Mark Turner (714) 912-4906** your Safe Growth and Income Specialist. Please visit our website at www.safegrowthandincome.com*