

Retirement planning challenges in today's economic environment:

I want to share some excerpts from an article that I recently read in one of my professional magazines, *Financial Planning*. If you have more ideas to share, just click the button below and email me!

We are in uncharted territory. With Baby Boomers retiring, Americans not saving enough, the housing slump, unemployment, and public debt, we have tempered our risk. Yet despite our concerns, the Dow was up 11% in 2010.

I will share some thoughts from some paneled experts in my field.

### **Retiring in 3-5 years:**

This group is not looking for sky-high returns anymore. They are looking for safety, security, and ways to derive steady returns even if at a lower rate expectation. There are four areas that investors have their wealth; defined benefit pension plans, investments, their home, and their jobs. For many people close to retirement, the downturn significantly impacted their retirement readiness. Retirement funding has shifted away from something being given to people, (social security and defined benefit pension plans), and now most clients have to rely on themselves to finance retirement. If you don't save by actively contributing to your 401k or IRA, at the end of the day, you are not going to be where you want to be.

Those who are having the hardest time are the people who are not clear about what really matters most to them in their lives. Most of my clients are not feeling negative about this shift and enjoy working and being engaged and valuable. They are not looking at retirement as an event, but rather a process. Many of you are asking questions regarding how much income you need, can you work part time, and if you are in trouble, what adjustments would be necessary?

Healthcare in retirement has a basic structure in place which is Medicare. Medicare supplements with out of pocket costs and I encourage you to purchase long-term care insurance. The other issue is healthcare reform law. The American public is not happy with the healthcare plan and Congress is revisiting it. We know that our out of pocket costs will increase and our benefit levels will change.

### **Some shared advice by the panel:**

- Look at protections on the longevity side. Analyze your situation to see if you need that protection or not.
- Do not own anything that you do not understand.
- Have a strong holistic retirement plan. Be sure to have an in depth conversation around your wants, needs and desires in retirement.
- Invest in your own health.
- While you are working save as much as you can, because saving more can offset so many other things that creep up along the way.
- You are on your own to save for retirement, so get professional help

Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Advisory Services through Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Gleba and Associates & Cambridge are not affiliated. The views expressed are not necessarily the opinion of Cambridge Investment Research, and should not be construed directly or indirectly, as an offer to buy or sell any securities mentioned herein. Investing is subject to risks including loss of principal invested. No strategy can assure a profit nor protect against loss.