



THE PLUSES AND PERILS OF A LONGER LIFE

For many people, retiring in one's 50s or early 60s sounds like a dream come true. Imagine years of health and time to achieve one's goals, whether traveling the world, spending more time with family and friends, developing the perfect golf game or looking for volunteer opportunities where one can make a difference. There's just one catch. Will your money last 40 to 50 years?

Before you start planning your finances around a projected average life span of 84 (men) or 86 (women) years, remember that you could be among the 50% that live much longer. About one out of every four 65-year olds today will live past age 90, and one out of 10 will live past age 95.

And therein lies the peril of retirement planning. We could be around a lot longer than we expect.

Ironically, the more money we have, the more we will probably need because the more affluent are most likely to live the longest. Access to more expensive healthcare may be part of the reason, but the more money people have over their lifetimes, the more likely they have taken better care of their health, eaten better diets, exercised more, etc.

So yes, a long life can mean more time to enjoy the activities and people we love. Combined with good health it can mean a more adventurous, busier life than generations before have experienced. But living costs money.

When you sit down to make your retirement plans, think about building flexibility into your life.

- How much money will you need to live comfortably to 90 or 95?
- Should you be saving more than you are now?
- Does it make sense to work a little longer and save a little more before you retire?
- How can you reduce your living expenses, but still enjoy the life you want? A smaller home? Fewer toys? Less expensive hobbies?
- What are the opportunities for you to continue earning money in retirement? (Keep in mind that the more you make, the less you get to keep of any Social Security payments.)
- Would it be smart to start developing a healthier lifestyle? Keeping healthy in retirement not only allows you to be more active, but also reduces medical costs.
- Given your current health and heredity, would you expect to need long-term care later in life?
- What exactly do you want from retirement? Sometimes what we really need isn't retirement but employment that we enjoy.

Retirement planning is one of those activities that is best done with others (particularly if you are married!). Sitting down with your financial advisor and your spouse or significant other and exploring not just the money, but what you want to do with your life can help you gain a more objective outlook on the future. It can also make certain everyone is on the same game plan and looking at ways to make it a reality. Even if you are already retired, revisiting your plan, seeing how well it is working and where problems could crop up never hurts.

Give us a call today and let's take some time to review where you are, where you would like to be, the possible perils ahead and how to avoid them.