

Commonwealth Sense

Volume 2, Issue 8

Retirement in the 21st Century

By
Nancy Kunz, Lead Financial Planner
First Commonwealth Advisors

It's your money. It's your life. It's your time.

The question of retirement for baby boomers in the 21st century has become quite muddled over the last few years. Many who foresaw retirement as a natural progression from earning to spending have become apprehensive, concerned, and confused, and many of us have resigned ourselves to not looking forward to retirement at all. Uncertainty in the world economy and world politics has many of us rethinking what retirement will look like, if and when that day does come.

Preparing for retirement first requires us to envision what we want our own particular retirement 'movie' to look like. If we could write the perfect script for our own personal retirement movie, how do we see Act 1 unfolding? Do we want to travel, own a second home, play golf every day, or just relax and not worry about anything? Do we want to volunteer for a cause that is close to our heart? When do we want to start retirement? Once those answers are determined, we then need to settle into the director's chair to ensure that each 'scene' in our personal retirement 'movie' plays out the way we want it to. Ultimately, each of us must be the director or owner of our own retirement, but without a lot of movie-making (or retirement) experience, it's not always easy to know which scenes to keep and which ones to delete.

But before filming even begins, there is much preparation that must take place to ensure a smooth process. There are some difficult

questions that must be first asked, and then answered. How much income will we need to live the kind of retirement we want? What kind of resources do we have now? Will those resources be enough? If not, what can we do now to boost those resources? Can we save more? Can we reallocate assets to take full advantage of the market? Do we have to reduce our goals? Should we postpone retirement? Should we work part time? When should we begin Social Security payments? Do we need long-term care insurance or life insurance or both? Do we have all our legal documents in order?

These are some of the questions that are paramount to planning for retirement. Without asking these questions, we go into 'filming' completely unprepared. Most successful 'real life' film directors don't just 'wing it'. Nor should you 'wing it' as you construct your own personal retirement movie. Your movie should ultimately represent years of discussion and thoughtful planning. Filming should be fairly methodical, with minor adjustments along the way for unforeseen problems and opportunities. But the basis of the movie should be maintained. That basis again, comes only from asking the questions that are important to each of us individually and answering them as honestly as possible, then taking the appropriate steps to prepare for the first day of filming.

A qualified advisor can help ask the questions that many of us don't realize need to be asked. And once the questions are asked, he can

assist in the discovery process that takes place with the revelations that inevitably come with these important discussions.

Steve Vernon, FSA (*Fellow of the Society of Actuaries*), writes:

"Take the time to make sure you have enough money to support the life you want so that the lack of money never impedes your enjoyment of life.

"You don't need to be rich to have a fulfilling life, but you do need enough money to meet your needs so you're not stressed out about making ends meet. And think of all the ways you can gain fulfillment that cost nothing! This means you need to do the proper work and planning to make it happen — you won't get handed a good life on a silver platter.

"I encourage you to try this wise advice that I've heard before: Write your obituary, and then live your life backwards to achieve it."

This is wise advice, but can be achieved only by preparation. As he says, it won't come to you automatically. You have to work at retirement as you have to work at anything that is worthwhile.



1-855-ASK-4-FCA
www.ask4fca.com

With Wealth Teams in PITTSBURGH • DUBOIS • GREENSBURG • INDIANA • WEXFORD

First Commonwealth Advisors is a registered trademark of First Commonwealth Bank for investment management, trust and fiduciary services and for investment advisory services provided by First Commonwealth Financial Advisors, a registered investment advisory affiliate. Securities, insurance products and certain other advisory services are offered through Essex National Securities, Inc., member FINRA/SIPC and an SEC registered investment advisor, which is not affiliated with this financial institution. Certain insurance products are offered through First Commonwealth Insurance Agency, a licensed insurance affiliate.

NOT Guaranteed by the Bank

NOT FDIC Insured

NOT a Deposit

NOT Insured by any Federal Government Agency

May Lose Value including Loss of Principal