

# Seven Golden Rules For Successful Retirement Planning

As the **Baby Boomer** generation continues to age, about 10,000 people in the U.S. turn 65 years old each day. That is an astonishing figure. Many of us worry about **retirement planning** and if we will be ready. It's a very scary thought.

Everybody is concerned about retirement and retirement planning is critical. The recession over the last 8-9 years has really hurt many families who thought they had a nice, nest egg set aside for retirement.

Financial planners are needed more than ever to help navigate individual portfolios and manage retirement planning for their client.

Carl Edwards is the owner of C.E. Wealth Group there are numerous factors to be concerned with regarding retirement planning for baby boomers – the uncertainty about the future of Social Security funding and dealing with one's workplace retirement accounts like a 401(k).

Edwards states, "Many advisors and clients rely too much on single product lines. This misuse often gives products and the financial industry in general a bad name."

Edwards provides seven helpful points that everyone should know and better understand, related to your retirement planning.

- Avoid trying to time the market. Markets often move in cycles and some investors believe that they can boost their investment returns by buying at the bottom and selling at the top. The problem is that investors are terrible at correctly

predicting market movements and multiple studies have shown that market timers usually end up with significantly smaller retirement savings than buy-and-hold investors. While it can be stressful to see your portfolio plummet during a market correction, it's important to stay calm and focus on your long-term strategy.

- Use risk-appropriate financial vehicles. Retiring can be a risky business. The days of relying on employer-provided pension plans are largely over and retirees now have to deal with risks including investment, inflation, healthcare, longevity and others. Though the total elimination of risk isn't possible, we can manage many of them through competent retirement planning and a clear understanding of factors like your goals, time horizon and financial circumstances.

- Complete a cash flow analysis. Retirement will involve major changes to your finances. Sources and timing of income will change and financial priorities may shift as you start generating income from retirement savings. A cash flow analysis will identify spending patterns and help ensure that you have enough income to support your retirement lifestyle.

- Consider the effects of inflation. Inflation is one of the biggest issues facing retirees because they are disproportionately affected by rising prices. Escalating food, fuel and medical costs can devastate a retirement portfolio unless these costs have been factored into your planning. Positioning your retirement portfolio to fight inflation is critical to ensuring adequate income in retirement.

- Invest in the most tax-efficient manner. Taxes can take a big bite out of investment returns, which is why we stress tax-efficient planning with our clients. While taxes are just one piece of the overall financial puzzle, it's important to structure your investments so that you are able to keep what you earn.

- Guarantee your required income. For many retirees, having income that is not subject to market fluctuations is an important part of their retirement plan. Many will have at least some level of guaranteed income from Social Security or defined benefit pension plans. However, if you are worried that your expenses exceed your guaranteed income, a financial advisor can help you explore options for additional streams of income for life. Guarantees are subject to the paying ability of the income provider.

- Utilize longevity planning. Today's retirees are living longer than ever and many worry about outliving their assets. Longevity planning is about preparing for a happy, comfortable and independent retirement and can help ensure that your wealth lasts as long as you need it to.

**If you are concerned about retirement planning and are seeking a certified financial advisor, contact us today. We can refer licensed and respected financial advisor professionals in your area to help you. Return to follow this luxury blog and learn about other financial tips and investment industry news.**