

“Retirement Will Throw You Some Curveballs”

Craig will retire in a few years, and –as his next door neighbor reminded him- “You really need to think about what retirement means for you before you go ahead and do it”. After dispensing advice for over 25 years to clients, Craig’s going to follow the counsel he’s given others and consider the challenges along with the opportunities that present themselves after over 45 years of work. He knows that retirement will surprise you.

- **Ready for 3 Decades as a Retiree?** The life expectancy for women today is over 85; and for men it’s over 82. For a couple aged 65, the odds are 47% that one of you will live to age 90 (Social Security Administration). You’ve got to have a flexible budget when you live 20+ years with no earned income.
- **Think You’ll Work for a While?** According to the Employee Benefits Research Institute (EBRI) 67% of current workers *expect* to work and make extra income in retirement, but only 23% of retirees report that they actually *have* worked. Maybe we shouldn’t make extra retirement income a big part of our retirement plan.
- **Finding a Sense of Self-Worth:** At work we’re challenged daily, rewarded for a job well-done, get to wear “different hats”, and have many opportunities to feel good about our contributions. Most retirees leave that behind, and it can be difficult replacing those feelings of importance and self-worth. Most happy retirees report that they stay busy through some routine involving volunteer work.
- **Your Family May Still Need Your Help:** 31% of U.S. households provide financial help to an adult child, and 21% for elderly parents (American Consumer Credit Counseling). This is *not* something people tell us is part of their dream retirement.
- **At Some Point We Get Infirm:** If we live long enough, our bodies begin to break down. It’s not a pleasant thought, but 70% of people currently aged 65 will require long term health services at some point (U.S. Department of Health and Human Services). In Nashville, the annual cost for a private room in a nursing home is \$78,000 today (in San Francisco its \$180,000). Homecare services average \$45,000 and \$70,000 respectively for those cities (Genworth annual costs study). Consider insuring against this risk.
- **You’ll Get Scammed:** As a retiree, you’re a target. It’s estimated by the Consumer Law Center that seniors lose over \$40 Billion annually to scams. These can be anything from funeral and cemetery plots to fake accident victims hitting you up for money. From email phishing for personal information to fake charities.

Cheating comes in all flavors. Verify, don't email sensitive information, and report anything suspicious.

- **What Happens When You Didn't Decide?** A recent Pew poll found that 56% of adult Americans have no Will . . . for those over 65, it's still 1 in 4. Have you ever seen what can happen to a family (the kids and their spouses) when the last parent dies leaving no formal clue to how they want to divide their estate? It can be ugly. If you love your family, be sure you have an updated Will, Power of Attorney, and proper medical directives.
- **It's Always Something:** You plan, you save, you budget, your financial guys are on the ball . . . and then your car croaks. Your teeth need two new crowns. Or it's time to replace the roof or HVAC units. Retirees regularly get hit with unexpected expenses, often significant, according The Society of Actuaries. When you're budgeting pretty close, a \$5,000 hit for a home repair or bridge for your teeth can be pretty scary. Best plan ahead for these inevitable little surprises.
- **A Little Self Control:** There will be occasions where you will be tempted to do a home upgrade that may not be necessary (or to spend too much on a necessary one); to go a little too lavish on your kid's wedding; or to give away more of your money than you can really afford. Any number of things, really. Just be smart, discuss it, and remind yourself you may be around into your 90s. Don't get caught running out of gas on this retirement trip.

Yes, Craig is the "old-timer" at Premier Asset Management. He's considered every one of these points above, and will revisit them. He and Jamie have a financial plan that he updates. They consider what will happen in down markets when he's retired, and how they can cut back if they need to do so occasionally. Craig knows that stuff happens.

Yet 50% of workers have not calculated what they need for retirement. They have no plan. The "stuff" that can happen to *them* can wreck lives. Don't be one of those people. Let's talk. Let's make sure we find a path you can stay on and gets you where you want to go.

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