5 Steps to Help Clients Prepare for Retirement

Although many financial advisors have clients who have been with them for years, others will seek out an advisor because they are starting to think seriously about retirement.

Here is a five-step plan to help clients develop a smart retirement strategy:

1. Develop a realistic estimate of likely monthly expenses during retirement.

Have clients do a budget questionnaire to help them get a better sense of their expenses.

The questionnaire should list most of the specific items that a client may spend, and all that is needed is to fill in the blanks, says David A. Schneider, principal of Schneider Wealth Strategies in New York.

“You want to be accurate, but estimate expenses when needed,” he says.

“All you are trying to do is get a good estimate of monthly spending. Looking at every receipt and charge card is overkill,” Schneider says.

2. See if their money will last.

Determine whether the client can safely hit the spending target without the money running out first.

Use of more sophisticated tools is best, but to get a rough idea of feasibility, “a quick back-of-the-envelope calculation can be made using the 4% rule and adding in income from other sources like pensions and Social Security,” Schneider says.

3. Maintain an appropriately diversified portfolio.

The portfolio that worked during the accumulation phase may not be the answer for 30 years of retirement, according to retirement specialists.
Be prepared to increase fixed income. and be sure that the equity side of the portfolio is broadly diversified and focused on quality investments that can hold for the long haul, they say.

4. **Explore alternative Social Security-claiming strategies when appropriate.**

Seventy percent of Americans fail to maximize their Social Security benefits, costing the average couple about $120,000 in lifetime benefits, according to recent studies.

Encourage clients to avoid claiming Social Security too early without at least looking at the alternative, says Matthew Allen, co-founder and co-chief executive of Social Security Advisors, an advisory firm in New York that specializes in Social Security issues.

"This means bringing up the issues proactively well before they make up their minds or start benefits," he says. "Using some of the more complex Social Security-claiming strategies can mean collecting more money in many cases."

5. Don't forget to consider the impact of health care expenses.

"Some expenses drop in retirement as seniors slow down. But health care costs can increase, so be sure to factor that in your plan," Schneider says.

Use these five simple steps to create a retirement readiness checkup for clients. Having a realistic plan will go a long way toward giving them the comfort they need to retire with confidence.

Gough Insurance & Financial Services
125 E. Tahquitz Canyon Way, Suite 203
Palm Springs Ca, 92262

I understand the goals of my clients and we work together to achieve them.

If you have any questions we can be reached at **(760) 251-7724** or **Cell (650) 200-8291** or via email: Janice@goughfinancialsvcs.com.

Visit our website: www.goughfinancialsvcs.com for other products that are available.
Contact us TODAY for a Complimentary review.