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# THE REGISTER CITIZEN

## MARKET MATTERS: Ah, retirement! Choosing a world to meet your needs



Joseph Matthews

It may have come far more quickly than you anticipated, but it's that time of life when you prepare to hang up the suit, take a break from rush-hour traffic, stop worrying about office politics and play some golf or tennis every day.

But where do you do this? Do you want to stay in your own home, downsize or join a retirement community where all the services you could ever ask for are right at your fingertips — for a price?

These are just a couple of the options open to retirees, and only one of the many questions that needs to be answered as you plan your retirement. Ultimately, however, the first question you should ask yourself is, “what can I afford?” If you have invested wisely over the years, it is likely you have saved sufficient funds to take care of your basic needs for at least two more decades, and possibly longer.

Let's face it: we have had plenty of opportunities to save for retirement while we were working, what with 401(k) accounts and our own stock portfolios or similar growth vehicles. If that is not the case, however, now might be a good time to work with a financial professional to evaluate what paths are available that can still help you put some money away now to be used further down the road when expenses for daily living — medical care, for instance — may be much higher than they are now.

But what do we do once we enter retirement? How do we maintain our desired lifestyle consistently as we age without depleting our assets while our expenses increase?

There are two things you can be sure of in retirement: we don't know how long it will last and we don't know how much things will cost in the future. The best way to prepare for years of unknowns is to start with the basics — by creating a budget and sticking to it.

Review areas where you can eliminate or reduce recurring bills, perhaps cable packages or cellphone plans (are you still paying for a child's cellphone?). There are many areas where you don't need to spend money, or at least as much as in your working years, so be realistic about adjusting expenditures.

Since you won't necessarily be driving during rush hours, you may be able to get a break on your auto insurance, and once you are eligible for Medicare you probably can save some money on your medical insurance package. For couples with staggered retirement dates, it may be possible for the retired spouse to join the workplace health plan of the working partner.

Take stock of your surroundings. How large is your home, compared to what you really need in retirement? While it might be nice to have ample room for those holidays when the entire family returns at once, most of the time you won't need all that space. Downsizing is a great way to unburden yourself of a chunk of overhead and reduce future expenses as well, including property taxes.

In addition to reducing outflow in retirement years, there is no reason why you should stop making money at the same time. Some analysts recommend that you should keep a percentage of your holdings in stocks to provide for the growth you will need over the coming decades.

You can determine if you have adequately redirected your finances by doing a trial run of your new financial regimen in the months prior to retiring. If you maintain a proposed budget for six months before you step away from the day-to-day grind, you will have a good idea if you have a workable plan before you are separated from your primary source of income.

Planning for retirement has been a big part of our lives for decades, and now we are closing in on living it. If we take the same proactive approach to our lives in retirement as we did in the working world, we can have a major say in the direction it takes, rather than just drifting off into the sunset with no idea where we are headed.

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