

7 Tips For A More Successful Retirement

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At a recent meeting of retirees, a presentation of the “10 biggest retirement planning mistakes” was given. There were many questions and much discussion. Everyone left having a few pearls of wisdom to take home. When all others were gone, a retired teacher approached me and said “Mike, I learned a lot, but having been a teacher for many years, you might want to consider dwelling on the positive not the negative.” In that spirit of accentuating the positive, here are some tips for a more successful retirement rather than mistakes to avoid.

1. **Have goals/tasks you wish to accomplish, places you want to go, and people you wish to help.** The goals are a list of things you plan to do. There can be both short-term and long-term goals, large goals as well as small. The chances of reaching the goals are much greater when the goals are written, have a time frame attached to them, as well as the expected financial cost and where the funds will come from to accomplish the goal. For instance, I will complete Spanish 1 at the Community college by next June with a grade of B and the fees of \$250 will come from the interest on my CD.
2. **Make timely decisions (do not procrastinate).** Some retirees are afraid of making the wrong decision, and based on that fear do not make decisions at all. A common comment is “I’ll think about it”. If you have all the accurate information and understand the circumstances you have all the facts necessary to make a decision. Getting accurate information can be difficult particularly so in a sales situation. Do

not be afraid to get a second opinion from someone who is not trying to sell you. Ask family members or trusted advisor such as your tax preparer, attorney or financial planner depending on the decision at hand.

3. **Do not put all your eggs in one basket.** Your investments should be diversified across different types of investments. Having all your assets in CDs may not yield enough return to meet your needs. Having all your investments in stock (or mutual funds invested in stock) is much too risky. The correct asset allocation for you and your situation should be based on: your risk tolerance (a mental state) your risk capacity (a financial state) and your goals including your timeframe. Determining the correct allocation sometimes is best accomplished with professional help.
4. **Good debt – bad debt.** Not all debt is created equal. Some interest such as a home mortgage is tax-deductible and would be much preferred than the interest on an auto loan. Credit card debt is the worst type due to its non-deductibility and very high interest rates. It should be avoided like the plague.
5. **Mitigate your risks.** In dealing with risk, your options are to avoid the risk, transfer the risk to an insurance company or retain the risk and pay the price should the dread event occur. These three options exist for all risks including; health, auto, home, disability and long-term care. Unfortunately some people have too much insurance while others do not have enough and most are

paying more premium than they should for the insurance they have. Everyone is different and your risk mitigation program should reflect your unique situation.

6. **Proper estate planning documents.** All retirees should have proper estate planning documents that designate who should make health care decisions for you or control your finances should an incapacitation occur. It is so much easier to address this ahead of time than after an event such as stroke, Alzheimer’s disease or other incapacitating affliction. If you own real estate, a living trust may be a good way of making sure your assets go to whom you choose upon your passing. Always consult with an estate-planning attorney for these matters.
7. **Ask for help if needed.** Financial planning, insurance, investments, taxes, retirement planning are subjects that are complicated. The way most retirees learn about these subjects is through the “school of hard knocks”. It is the age of specialization. We go to the doctor for a checkup on our health, we take our car for tune-ups at the garage, the gardener tends our garden, and for financial advice there are financial planners.

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