

# RETIREMENT PLANNING

## THE BEST WAYS TO GET STARTED

As an important and landmark phase in life, your retirement is best not left to chance. However for many, retirement planning efforts may seem overwhelming prior to taking your first steps. With many considerations to take into account from fundedness and tax planning to lifestyle and eventual legacy, you may find yourself wondering where to start. Life By Design Investment Advisory Services is here for you as you start, plan and experience your journey to and through retirement.

### **ENVISION YOUR RETIREMENT LIFE BY DESIGN**

Prior to ascertaining that your account holds a certain dollar amount or that you understand how Medicare works, it's important to capture the vision for your Retirement Life By Design. Do you envision yourself spending time on a passion project that you have been waiting for more time to enjoy? Do you plan on working part-time or volunteering? When you visualize your Retirement Life By Design, are you living in your current home, state or country? How often do you plan on traveling? Do you expect to make any significant lifestyle changes? Starting your retirement planning process by identifying the components of your ideal retirement lifestyle is the cornerstone of financial planning for retirement. You will not achieve your ideal retirement lifestyle if you cannot specifically identify what your ideal situation is. In my many years as a professional financial wealth advisor, I can attest to the real joy it is to witness someone really knowing what their Retirement Life By Design is and living a retirement lifestyle of their choosing.

### **SET GOALS**

Take a moment to consider your passions in life and give real thought about how you would like to live in retirement. Once you've taken time to truly reflect, it is time to write that written goals plan that may get you closer to making that ideal a reality. With a clear plan and intentions you'll be able to allocate your time in a way that balances must-do's and daily life with progressive steps toward your Retirement Life By Design. These first two steps to getting started in retirement planning allow you to get your bearings and set your compass for your desired destination.

## **FUNDEDNESS**

Now you need to achieve fundedness. Fundedness is your funded ratio with regard to retirement readiness and the measure of ensuring you're prepared to support longevity needs- generally for a 30-year horizon. Your individual fundedness is based on the goals you have set for your Retirement Life By Design. Fundedness is not an arbitrary amount you have set aside for when you stop working. Life By Design Investment Advisory Services believes a well-balanced retirement portfolio includes buckets marked for growth, income, longevity and reserves. Ranging from conservative and protective to higher risk growth opportunities, each bucket serves a purpose.

- Growth- This portfolio allows risk to diversify for total return. The upside can be withdrawn for discretionary spending.
- Income- A portfolio created to manage your net income needs for retirement and lifestyle.
- Reserves- This is your emergency and unexpected events fund. This fund aims to cover things you have not envisioned for your Retirement Life By Design, but that may await you regardless.
- Longevity- Fund for your lifetime risk. This includes your life and healthcare Protection Plan.

## **IMPORTANT POINTS TO REMEMBER**

- Understanding your Household Balance Sheet- LBDIAS uses a Four-Core process to insure a comprehensive and holistic financial plan is in place, implementing planning tools and solutions continuously each and every year. Our financial analysis is completed from a Household Balance Sheet view. A thorough analysis of your finances in a way that will help you truly understand whether or not you have retirement fundedness.
- Checking your compass continually- Life and financial goals are best served by frequent action and review. The hope would be that you set goals that have your long-term, in this case the span of a lifetime, in mind, though it is natural for us as humans to place increased emphasis on the nearer future when setting goals. Checking in with the destination you have set on your compass as well as whether or not you are still on the path to said destination is essential to your success.
- Start the process of aligning your life goals with your financial plan now- It is never too late or too soon to analyze the alignment of your life goals and your financial plan, though you are best served by starting sooner. Start this good habit now if retirement is still a way off and it will be second nature as you begin actively planning for your retirement. Encourage the next generation to follow suit.
- Meet with a wealth advisor- Wealth comes with complexities in planning and execution of the plan. A wealth advisor can assist you in the points outlined above. Only an elite few advisors hold the prestigious, advanced Retirement Management Advisor® certification, which is delivered by the Investments & Wealth Institute®. The RMA® program is an advanced certification for advisors who want to mitigate clients' risks and master the retirement planning advisory process, all within an increasingly fiduciary environment. The RMA® program teaches financial professionals to take a holistic approach to your retirement needs. RMA® professionals look beyond managing investments or retirement products and take a multidisciplinary approach to develop a complete framework for your retirement plan. Investments & Wealth Institute® authorizes the use of the certification mark RMA® to individuals who have met rigorous experience and ethical requirements, have successfully completed graduate-level coursework, and have passed the Retirement Management Advisor® Certification Examination. RMA® designees also agree to meet ongoing continuing education requirements and to uphold the Institute's Code of Professional Responsibility.

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