

Is time really on your side when planning for retirement?

Written by By Al Martinez Guest Columnist
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Make a plan with these five factors in mind

The iconic song lyric “Time is on your side” might not resonate the same when you’re thinking about retirement. As retirement nears, one of the most pressing concerns is, “How much monthly income will I need?” While in your working years, paychecks fuel your lifestyle, but those constant streams may dwindle come retirement. Fact: Living off Social Security alone isn’t viable for most couples, and most people lack a guaranteed pension.

So, how does one ensure a comfortable retirement? Let’s break it down.

1. Mortgage – The Monthly Mammoth Mortgages often consume the most significant chunk of your income. Did you know that nearly 49% of Baby Boomers were still paying off their mortgages, as per a 2018 study? Owning a home is a boon, but the strategy you employ is crucial. As retirement looms, you can either hustle to clear the mortgage, allowing for flexible retirement spending or craft a retirement plan incorporating the mortgage, compromising on luxuries like dining out or trips.

Consider this: Without a mortgage, where could that money go? Is downsizing the key to your dream retirement? Or is relocating a better choice?

2. Travel – For many retirees, The Golden Years Dream is travel. An astonishing 70% of

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workers yearn for travel during retirement. Whether reuniting with old pals or exploring historic sites, early retirement often sees more travel. However, “hoping to travel” won’t suffice; one must set a concrete plan.

Ask yourself: What’s on our travel bucket list? How often do we plan to embark on adventures? Do we have long-lost friends we’d love to visit?

3. Automobiles – Cars might seem inconsequential, but they may silently impact retirement finances. Buying that flashy dream car can pinch your retirement budget, especially if you’ve enjoyed the luxury of a company car or are considering upgrading for a smoother retirement ride.

Reflect on: Will car payments disrupt our retirement budget? When will we genuinely need a new vehicle? Cash or credit – what’s the ideal way to buy?

4. Trusts and Wills – A key retirement conversation is ensuring your assets are orderly managed. Trusts and living wills manage assets and save families from legal tangles and unexpected costs.

Mull over: How do we envision our asset distribution? How can we minimize taxes for our heirs? Is our will up-to-date?

5. Life Insurance – Life insurance isn’t just another bill. It’s a safeguard. While some view it as an added cost, its value as a financial safety net is unparalleled. Life insurance fills various gaps, from ensuring retirement income to long-term care planning.

Consider why you have life insurance and whether it serves its purpose. Are your existing policies suitable for your retirement phase?

Retirement should be a period of relaxation, not tension. Addressing these five critical elements

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may ensure you bask in your Golden Years. Remember, time might be on your side now, but planning ensures it stays that way! So, make sure you prepare, plan, and then enjoy a well-deserved retirement.

Al Martinez is a member of *Syndicated Columnists*, a national organization committed to a fully transparent approach to money management.

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