Courtesy of your 401k advisor, **John J. Higgins, CFP®, AIF®, CFS®**
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How You Can Retire with No Regrets

Your savings rate is the single largest contributor to retirement – saving success, and you control it!

- Many financial studies suggest you need to save 10% to 15% of your annual income
- The least painful way is to gradually increase your savings by 1% a year – **YOU CAN FIND A FEW EXTRA BUCKS!**
- Grab all the free money – contribute an amount necessary to receive the maximum employer match.

Longer Life Expectances have stretched retirement to two or three decades and, as such, your money will need to last.

- Social Security will cover about one-third of your pre-retirement income, where is the rest going to come from?
- Many financial studies suggest a 4% to 6% withdrawal rate from your savings may be sustainable to cover essential expenses in retirement. **AVOID EXCESS WITHDRAWALS!**
- Planning for rising healthcare costs during retirement is a significant challenge. A married couple retiring at Age 64 will need approximately $259,000 in savings to have a 90% chance to cover healthcare expenses in retirement[1].

Inflation is a financial risk you need to understand, it refers to a general rise in prices of goods and services

- Inflation reduces purchasing power over time, because as prices rise, a dollar buys less. You will need to keep pace with inflation to help maintain your standard of living.
- Don't confuse your expected retirement date with your retirement time horizon and, as such, invest too conservatively. **YOUR MONEY STILL NEEDS TO GROW!**
- You shouldn't abandon growth investments completely while in retirement, as they offer the potential to outpace inflation and meet the needs of a long life.

[1] *Source: Employee Benefit Research Institute (EBRI)*

Invest in a way that you avoid reacting to the inevitable swings of the financial markets.

- Markets don't move in lockstep. Building a portfolio with differing objectives and asset classes can help temper the markets' ups and downs. **BUILD AN EMOTIONALLY TOLERANT PORTFOLIO!**
- Be patient and stay with your game plan. Many investors overreact to short term events and run to the sidelines. Simply stated, you want to sell on good news and buy on bad news.
- Many investors don't have, in most circumstances, the time, resources or inclination to properly manage their accounts. Professional management can help you avoid making bad decisions in times of stress.

Commonwealth Financial Network® does not provide legal or tax advice. You should consult a legal or tax professional regarding your individual situation.

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