Preparing and Living Through Retirement

Pre- and Post-Retirement Checklist

Whether you're retiring in 10 years or you've been retired for 10 years, getting organized, planning ahead, and being in control of your money-related matters, goes a long way toward making your retirement experience rich and rewarding. This section includes checklists for individuals who are planning to retire and for those who are currently retired.

Pre-Retirement Checklist

- ☐ Identify or plan your retirement date.
- ☐ Reduce your debt. Excessive debt will have a negative impact on your net retirement income.
- ☐ Estimate your Social Security benefits and other sources of guaranteed income, such as Social Security and pension.
- ☐ Identify your essential monthly expenses during retirement; (mortgage or rent payment, car loans or lease payments, property and car insurance, utilities, health insurance, etc.).
- ☐ Develop a budget for discretionary spending that takes into account your estimated essential monthly expenses and estimated total monthly income from all sources.
- ☐ Evaluate how your retirement money is allocated and calculate its growth and income potential during retirement. Be careful and conservative with your assumptions.
- ☐ Utilize 'catch up' provisions on IRA and 401k contributions if a gap exists between your estimated retirement income and your estimated overall expenses during retirement.
- ☐ Evaluate your 401(k) roll-over options. Take into consideration your other pools of retirement money, such as your spouse's 401(k) and your IRA accounts. The option you choose should complement your other retirement pools of money.
- ☐ Evaluate healthcare benefits and provider options.
- ☐ Consider long-term care and disability insurance.

Post-Retirement Checklist

- ☐ Develop a budget with an emphasis on managing your debt. Identify your essential expenses, (mortgage or rent payment, car loans or lease payments, property and car insurance, utilities, health insurance, etc.). Excessive debt will have a negative impact on your net retirement income.
- ☐ Evaluate and control your discretionary spending. Discretionary spending is too often rationalized as necessary, "must-have" or "must-do" spending. Over-spending on discretionary items increases your risk of running out of money.
- ☐ Manage risk or volatility in your investment accounts, especially downside volatility.
- ☐ Know what you own in your investment account and why you own it.
- ☐ Know how your investment portfolio has performed. Measure its performance at least semi-annually. Compare its performance against an appropriate benchmark (index) or blend of benchmarks.
- ☐ Know the percentage amount you are withdrawing on an annualized basis from your investments. Evaluate the "safeness" and sustainability of your withdrawal rate.
- ☐ Know what factors may adversely affect your withdrawal rate and develop a plan to adjust the amount or source of your withdrawal.

Plan and act on what you know - and what you can control. Be careful with assumptions about the future. Your assumptions may mislead you into being either overly-optimistic or overly-pessimistic about your future which can lead to decisions that could negatively affect the quality of your life during retirement.

What we know (Be careful not to confuse assumptions with what you actually know):

- Our retirement date
- What we can expect from guaranteed income sources, (Social Security and pension benefits)

What we don't know:

- Future expenses including our healthcare costs
- Future returns for stocks and bonds
- Inflation and tax rates
- Our date of death

What we can control:

- Our debt
- Discretionary spending
- Oversight and management of our retirement money