

AS SEEN IN THE SPECIAL ADVERTISING SECTION  
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# TIME



## STAYING ON TARGET



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# STAYING ON TARGET

Will you be ready for retirement? Four steps will help determine whether you're on the mark.

**P**icture this scenario: The last job you'll ever hold is for a company called Me Inc., and it is the best one you'll ever have. You get to choose your company's activities and how much salary and vacation time you'll be given.

The challenge? As CEO of this metaphorical company, you will be responsible for paying your own retirement salary, planning for your organization's future, and managing its growth, says John Diehl, Certified Financial Planner™ and senior vice president with The Hartford's Investment and Retirement Division. And developing a sustainable retirement income plan to meet your personal retirement goals requires careful thought and planning.

How can you keep your personal version of Me Inc. running smoothly in these trying financial times? Diehl strongly recommends considering these important steps.

## STEP ONE: REEVALUATE YOUR RETIREMENT GOALS

Has your goal of spending retirement on the beach been replaced by a desire to simply keep up with day-to-day expenses? In today's world, a job loss or a decline in your home's value may require you to focus on short-term strategies before concentrating on a long-term financial plan. If this is the case, start with a realistic evaluation of your expenses and needs. Which ones can be reduced or cut altogether?



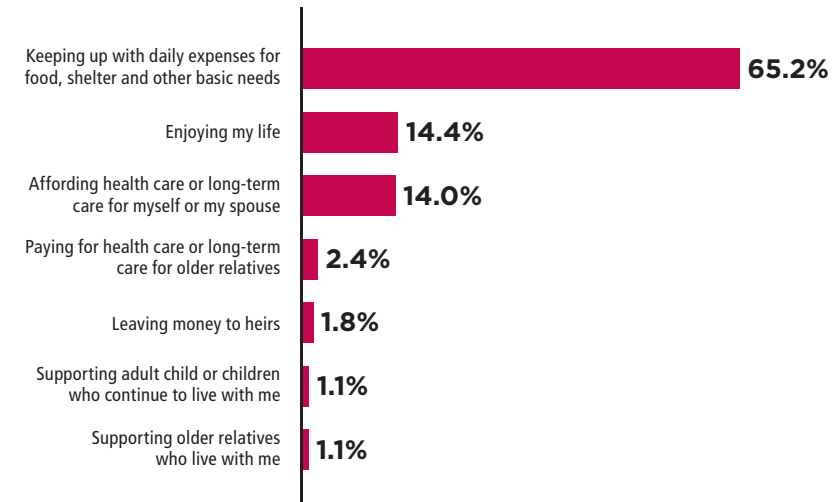
If you've plowed through your rainy-day savings, work on reestablishing an emergency fund that will cover six months of expenses. When you're ready to focus on the future, consider what's really important to you. It may be continuing to work part-time in retirement, taking care of your grandchildren, or having enough funds to start your own business as a second career. You'll want to allocate your resources accordingly.

## STEP TWO: ESTIMATE YOUR FINANCIAL RETIREMENT NEEDS

Think about what you spend now on essentials like food, clothing, housing and insurance, and take a stab at estimating how much these expenses might increase, decrease or go away in retirement. For example, even if you no longer have a mortgage when you retire, you might still have home taxes and insurance costs. Also, consider your possible life span and related health-care costs, and what financial planners call the Rule of 63/36. According to the

## NEW RETIREMENT PRIORITIES

Here's a ranking of what people care most about in their golden years.



Source: The Hartford Investment and Retirement Survey, September 2009

## With the proper planning, your personalized version of Me Inc. can help meet your goals.

Society of Actuaries Annuity 2000 Mortality Tables, once you and your spouse reach 65, there's a 63% chance one of you will live to age 90 and a 36% chance one of you will live to 95. You'll need to keep an income stream flowing to support you in those later years.

## STEP THREE: DETERMINE YOUR INCOME SOURCES

Just as you depend on your weekly paycheck today, you will need to establish a steady stream of income in retirement. To determine what size it will be, gather copies of your most recent Social Security, workplace retirement plan, pension and tax statements, as well as estimates of your projected income from part- or

full-time work. Be sure to include in your calculations all rental income, veteran's benefits and income from investments.

## STEP FOUR: PUT A PLAN IN PLACE WITH YOUR ADVISOR

To determine how your retirement paycheck will hold up over time, it's best to consult with a financial planner rather than rely solely on an online calculator.

The National Association of Personal Financial Advisors is one good place to find an accredited planner in your area that specializes in retirement planning. If you're married, it's important that your spouse participate in the process. With the proper planning, your personalized version of Me Inc. can help meet your goals.

These steps can lead you to a better state of mind, says Joe Coughlin, founder and director of the AgeLab, a research laboratory at the Massachusetts Institute of Technology dedicated to understanding the needs of aging people. "In the end," says Coughlin, "it is about investing in the things that truly matter." ●



## BACK TO BASICS

A new survey of Americans 45 and older shows that while financial priorities are shifting, planning is still the key to retirement confidence. The survey is conducted annually by The Hartford Financial Services Group. Among the findings:

- Nearly one-third (31.5%) of those who had planned for retirement were very or extremely confident of having sufficient income for retirement, compared with 10% of non-planners.

- Those who had done some planning were three times more likely to rely on a financial professional for credible financial advice than those who had done no planning.

- Some 65% of respondents said their No. 1 financial concern was keeping up with daily expenses for food, shelter and other basic needs. In 2007, only 24% said the same.

- The prospect of enjoying retirement appears to have grown ever more elusive for many people. The goal of enjoyment declined to 14% in 2009, from 43% in 2007. ●

