



RETIREMENT & FINANCIAL PLANNING CORNER

Brought to you by Dave Hojlo,
Accredited Investment Fiduciary ("AIF")



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Tips for Planning Your Retirement Income

When Should You Begin Planning for Retirement?

- Start retirement planning at your own pace: There's no fixed timeline, but remember that the earlier you begin, the more time your money has to grow.
- It is never too late to start: Don't worry if you haven't started yet; you can still make a difference. Every dollar you save now will be valuable later.
- Don't overlook the benefits of strategic investing: By investing wisely, you can minimize the time needed to catch up on retirement savings.



<https://www.nerdwallet.com/article/investing/retirement-planning-an-introduction>

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Creating A Plan

- Determine your retirement income needs: Consider your current income, expenses, and how you anticipate they will change during retirement.
- Create a retirement budget: Allocate funds for essential expenses as well as discretionary activities like vacations and dining out. Account for potential costs such as car or home maintenance.
- Aim to replace a portion of your pre-retirement income: The general recommendation is to save and utilize Social Security to replace around 70% to 90% of your annual pre-retirement income.
- Prioritize your financial goals: Besides retirement, consider other pressing goals like paying off credit card or student loan debt, and building an emergency fund.
- Save for retirement alongside emergency fund: It's advisable to save for retirement while simultaneously building your emergency fund. This is particularly beneficial if your employer offers a retirement plan with matching contributions.



<https://www.investopedia.com/articles/retirement/11/5-steps-to-retirement-plan.asp>

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Investment Vehicles for Retirement



IRAs vs. 401(k)s

Please consult with a tax advisor about specific tax implications for your individual retirement savings scenarios.

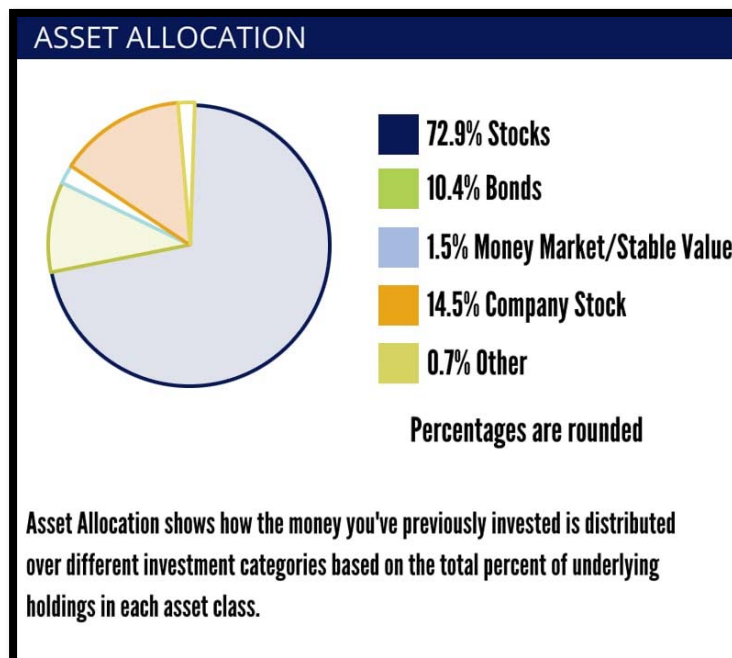
	Traditional IRA	Roth IRA	Traditional 401(k)	Roth 401(k)
PROS	<ul style="list-style-type: none"> • Large investment selection • Tax-deductible contributions 	<ul style="list-style-type: none"> • Large investment selection • Tax-free withdrawals upon qualified age • Can withdraw contributions at any time 	<ul style="list-style-type: none"> • High annual contribution limit • Employers may offer matching contributions • Tax-deductible contributions 	<ul style="list-style-type: none"> • High annual contribution limit • Employers may offer matching contributions • Qualified distributions are tax-free
CONS	<ul style="list-style-type: none"> • Low annual contribution amount • Must pay taxes on withdrawals upon reaching qualified age • No contributions from employers 	<ul style="list-style-type: none"> • Low annual contribution amount • No tax benefits on contributions • No contributions from employers 	<ul style="list-style-type: none"> • Early withdrawal penalties • Less control with investments • Time it takes to become fully vested may vary 	<ul style="list-style-type: none"> • Must have account for at least five years and be 59 1/2 or older before you can make tax-free withdrawals • No tax benefits on contributions

<https://www.bankrate.com/retirement/best-retirement-plans/>

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Investment Selections for Retirement

- **Determine your risk tolerance:** Understand the level of risk you are comfortable with when it comes to investing.
- **Age-based asset allocation:** A general guideline is to allocate a percentage of your portfolio to stocks based on your age. For example, subtract your age from 100 to determine the stock allocation percentage.
- **Diversification is key:** Spread your investments across different asset classes, such as stocks, bonds, and cash, to minimize risk.
- **Rebalance regularly:** Periodically review and adjust your portfolio to maintain the desired asset allocation.
- **Consider professional advice:** Seeking guidance from a financial advisor can help you make informed decisions about asset allocation and investment strategies.



<https://www.nerdwallet.com/article/investing/401k-asset-allocation#:~:text=Know%20how%20much%20risk%20you're%20comfortable%20with&text=As%20a%20rule%20of%20thumb,100%20will%20skew%20more%20conservative.>

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Retirement Income Planning Tools

When it comes to retirement income planning, there are several tools, models, and ideas you can consider to turn your assets into a sustainable income stream. Here are some options to explore:

1. **Empower's Retirement Planner:** Empower's Retirement Planner is free to use and as a standalone tool its one of the best retirement planners you can use.
2. **Betterment's Retirement Savings Calculator:** Betterment is one of the most notable robo-advisor services but also provides a free service that takes a holistic look at your financial picture to help you reach your financial goals.
3. **Stash's Retirement Calculator:** If you're looking for a quick picture of how much you need to save for retirement, Stash's Retirement Calculator is a great choice. Enter your age, your intended retirement age, your pre-tax income, and how much you've saved and are saving, and you'll get a snapshot of how much you'll need and how much you're on track to have.
4. **Charles Schwab's Retirement Savings Calculator:** Schwab's website offers a free retirement calculator that helps you figure out where you stand today and what you need to do to hit your goals.



<https://investorjunkie.com/retirement/best-free-retirement-planning-tools/>

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