

June 2010

The biggest retirement mistake

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Have you ever seen the ING commercials about planning for retirement? They show people walking around during their normal day, but they are holding a giant number (each person's is different). This number represents the exact number of dollars that person supposedly needs to have saved before they can retire.

My parents and I were watching T.V. recently and saw a newer version of the commercial. A man asks his neighbor about his number. His neighbor replies: "It's a gazillion." Why is his number a gazillion? Because he hadn't done any planning, so he didn't know what his number actually was.

I have to admit, when they showed his number was a 'gazillion,' I had to chuckle. After it was over, though, my mind turned to a question I've asked at dozens of public speaking events I've appeared at over the years. I'm always curious to see what types of answers I get. The question is: "What is the biggest mistake you can make in either planning for your retirement or during your retirement?"

I'd always get a lot of great answers:

- Investing too safely
- Investing with too much risk
- Paying too much taxes
- Picking the wrong stocks
- Spending too much money

These are all good answers, but they're not THE answer. You see, the simple answer is that the biggest retirement mistake is failing to plan. I've read dozens of times in books, magazines, and newspapers that most Americans

spend far more time planning for their vacation than they do planning for their retirement. These writers often imply that Americans are foolish for having the wrong priorities.

I don't believe that's true at all. After meeting with thousands of people over the last 13 years, I'm convinced there's a much more important reason that planning for retirement is avoided: your retirement plan is one of the most important things in your life. Yet, you've never been taught how to do it! Think of when you were in school. They taught you how to add, how to read, how to write, and so many other things. But did they ever talk about how to plan for retirement? Of course not!

Hundreds of people over the years have told me that they weren't sure what the right thing to do was, so they just didn't do anything! It's understandable. But it still doesn't help. In fact, the most common quote I get after we go through the planning process with my clients is: "I wish we would have done this years ago!"

Next month, we'll discuss a number of different ways you can put a plan together. For now, just remember that those silly ING commercials actually make an excellent point:

Hope is not an effective retirement strategy!

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