



Pat Jones | I like old houses and old people... both have developed great character and are a true treasure!

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Business

Pre-Planning Your Retirement

By Allen Financial Group

CAMDEN (July 26): If you're like many Americans, you've probably enrolled in a 401(k), Roth IRA, or other investment vehicle in the hope of one day enjoying the fruits of your labor. But just putting money aside for a later date isn't enough. You need a strategy to grow those savings to carry you along the road ahead. Determining whether or not you've planned wisely enough to enjoy a comfortable retirement requires a critical look at several important variables. If you haven't developed a plan yet, remember that it's never too late to begin!

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Know your ideal retirement

For some, the idea of retirement conjures up images of relaxing and enjoying the finer things in life. Others might prefer to remain active, by working a part-time job or volunteering for a local charity. Whatever the case, the lifestyle you choose will determine how much money you'll need to carry you through your golden years. Do you know what your daily life during retirement will look like? Where will you live? How will you spend your time? How much will this cost? These are all questions to consider. Through answering these questions, you can begin to lay the foundation for an ideal retirement.

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R. CARLOS NAKAI

APRIL 14, 7:30 PM

Consider your life expectancy

The Center for Disease Control estimates that the average 65-year-old can expect to live another 18.4 years. This means that many people could outlive their savings, even if they have planned for retirement. Because you cannot rely on psychic ability or a horoscope to predict the future, it is important to select a realistic life expectancy, based upon gender, age, and family history. Consider making plans toward the optimistic end of the scale; after all, nobody's ever become disadvantaged if the money outlives him or her.

Account for rising medical costs, including long-term care

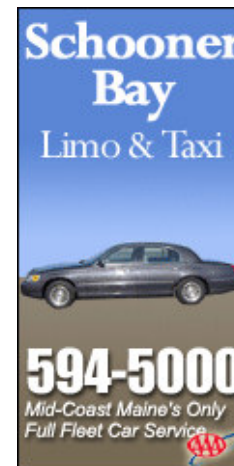
As you get older, health problems and health care premiums will increase. Industry experts predict that medical costs will rise around 15 percent annually, and with Medicare covering a smaller and smaller percentage of the cost for these services, you can expect to pay a high out-of-pocket price for them. A 2006 Fidelity Investments study determined that a retired couple without an employer-sponsored health insurance program could anticipate spending \$200,000 on medical expenses during the course of retirement. For these reasons, you should allocate a large portion of retirement savings to cover this expense.

Another point to consider is covering the cost of long-term care. The U.S. Department of Health and Human Services predicts that today's 65-year-old faces at least a 40-percent risk of entering a nursing home. And, according to a 2006 cost of care survey by Genworth Financial, the average annual cost for a private room in a nursing home is around \$70,000. Therefore, if you are among the large number of individuals who will need to receive care in a nursing home, you face the possibility of depleting your assets at an accelerated rate, without adequate resources earmarked for long-term care. Though it is not the inevitable outcome for everyone, it should be accounted for when planning for retirement. It is especially important for women, who tend to outlive their husbands.

One possible solution is long-term care insurance (LTCI). It can help cover the costs that Medicare and Medicaid don't for extended care at home or in an assisted facility. And, though national statistics indicate that less than 10 percent of Americans have purchased LTCI, it can protect your retirement nest egg, and preserve assets for your spouse and children.



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1. Outward Bound to hold open house at Camden office

Camden:(03/13/2007)

2. Maine communities plan March 17 anti-war demonstrations

Waldoboro :(03/13/2007)

3. Debate over yoga in schools lands in SAD 28

Camden:(03/13/2007)

4. Ceremonial ribbon cutting opens new bank

Rockland :(03/12/2007)

5. Eagle lays egg, webcam catches action

Gorham:(03/07/2007)

6. Legendary runner Hillgrove among five locals in Boston Marathon

Boston, Mass.:(03/12/2007)

7. Acting out: Rockland advances to states with 'The Idiot and The Oddity'

Rockport:(03/11/2007)

8. Lincolnville man killed in snowmobile crash

Littleton:(03/09/2007)

9. Rockland native's invention strumming along

Rockland :(03/10/2007)

10. Lincoln County district attorney declines Bramhall prosecution

Wiscasset:(03/13/2007)

Determine your retirement date

If you're like many individuals who are approaching retirement, you've asked yourself: When should I retire? The answer depends upon how well you have planned. Considering all of the possibilities and analyzing the nature of your retirement needs will lead you to the correct answer. Take the time to think about your current and future financial situations. Complete a net-worth and a cash flow statement Employee Benefit Research Institute's with a financial professional—these are two of the many methods to help you assess your financial position. It might be advantageous for some individuals to retire later than previously expected, or to take on a part-time job. The longer you work, the more time you have to continue to save.

Consult a financial professional

Forty-four percent of respondents in the Employee Benefit Research Institute's 2006 Retirement Confidence Survey cited "guessing" as their method for calculating retirement needs. But the transition into retirement is too important to rely on arbitrary assumptions—it requires a detailed analysis of your current financial situation and future needs. A second opinion is always important, especially when your financial well-being is involved. Sit down and discuss your options with a financial professional.

These issues represent only a small fraction of the complexities involved in planning for the next phase of your life. If you think you are behind the planning curve, try not to be discouraged. Solid professional guidance can help get you on the right track. Remember—the sooner you begin preparing, the quicker you can enjoy what the future holds.

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11. VillageSoup co-founder to direct Day Publishing online venture

Rockland :(03/09/2007)

12. Spruce Head youth bound for leadership forum

Spruce Head:(03/09/2007)

13. Quilt Divas opens Saturday

Rockland :(03/07/2007)

14. Rockport honors Rhodes with Boston Cane

Rockport:(03/11/2007)

15. Allen Agency outlasts E.L. Spear in Bantam final

Rockport:(03/09/2007)

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