

I Hear That Train A Comin' . . .



By: Joseph G. Budd, Managing Partner, CFP®, ChFC®

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That train that you hear a comin' is the Retirement Train. An update on your departure date, it will be here before you know it, and sometimes your own health will dictate when it will arrive. If your Retirement Train has already arrived, you still need a plan to make it work in this world we live in. Just like planning for a vacation, your retirement is no different except it has *long term consequences*. You don't get a *second chance* to get it right either before the train comes or after you are already enjoying the ride.

The **Employee Benefits Research Institute (EBRI)** has been doing an annual retirement confidence survey since 1978. According to the EBRI four in ten have ever done a retirement calculation once in their lives. A majority of the people that didn't do the calculation stated that they would have guessed on most of the data inputs. I bet they had that cruise that they took planned down to the outfits to wear for each night and day, and what port stops they would take. One has to have their priorities.

Other points of interest in the survey from 2011:

- all time low in confidence for having a secure retirement
- many had to retire before they had planned because of health or the business environment
- only 13% feel very confident about having enough money to retire
- 12% feel very confident in paying for their medical expenses
- 68% of workers have saved for retirement
- 74% of retirees have saved something for retirement
- 59% of workers are currently saving for retirement

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- 17% of retirees have over \$250,000 in retirement assets
- 3% of retirees retired later than planned
- 45% of retirees retired earlier than planned
- 5% of workers are confident in social security as an income source and 11% of current retirees are confident in social security as an income source

So people are retiring earlier than they expected which is taking away time for saving for retirement. Approximately 26% of retirees have no retirement savings and must either work or depend solely on social security or their pension if they have one. If you take the fact that only 17% have \$250,000 or more. If you can withdraw 4% in year one from that \$250,000 nest egg to supplement your wages, or social security, that is only \$10,000 gross before any tax withholding to live on. Ever want one sobering reading experience, read the survey and see what people have done since 1978 regarding their retirement. Just as we chastise the government for “Kicking the can down the road”, Americans are guilty of not putting enough effort into their retirement planning.

One comforting phrase I always use when dealing with retirement financial issues is, “You Can Only Deal With Today”, by what actions you are taking now. Rather than to be unhappy about your accommodations on your current Retirement Train trip, or the Retirement Train trip that you are planning for, put a complete plan into place that will give you the best chance of not being in the position of most of those people who are in that 2011 EBRI Retirement Survey. Many people want that train to postpone its arrival, or want someone to get them a ticket to a better destination. “You can only deal with today. I hear that train a comin’ . . . be ready when it comes for you.”

Joseph Budd is a Managing Partner and CERTIFIED FINANCIAL PLANNER™ professional with Budd, Melone & Co. LLC. Joe can be reached toll free at 877-293-5830.

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