



# Practical Methods to Plan for Retirement

Prepared by:  
**Drew Stevens**  
*Stevens Consulting Group*

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# Practical Methods to Plan for Retirement

*By Drew Stevens*

We know four things in life will happen – we are born. We need to pay taxes, work, and die. And, there are four items individuals hate to discuss aging, taxes, retirement, and death. Unfortunately, none of these four are unavoidable, and planning for these issues will lead to practical, independent life.

The fact is that we are going to age, and we will need an income at retirement. And, financial security doesn't just happen. Retirement is about patience, time, planning, commitment, and in the end, money. Discussed here are practical tips to assist as you plan for retirement.

You need to understand a few things about a desire or even perhaps a need for retirement. We know that you will need guaranteed income. You must know your expenses, those guaranteed expenses such as social security and pension, but simultaneously, you will have costs – guaranteed (i.e., food and shelter) and unguaranteed (i.e., vacation, medical). The question to ask yourself is, where is the money coming from. With the average American spending almost 20 years or more in retirement and people aging longer, how will you plan for your future?

There are a few things to keep in mind when you're thinking about retirement. First, only 40% of Americans have calculated how much they're going to need to save for retirement. Without proper planning, this might harm you in future years. For example, we know that politics and politicians

change tax laws every few years. We also know that income and retirement plans are based upon taxable income, tax-deferred income, and tax-free income. You need to understand how you might be able to utilize these areas to address your future needs.

Secondly, in 2018 almost 30% of private industry workers with access to a defined contribution plan did not participate. This means that if you did not put any money away for your future, you might not be able to take care of your future needs such as food, shelter, or even necessary medical expenses. Living without proper planning and prayer is not an excellent way to invest your Golden years. So here are some thoughts in which to assist you in moving forward.

### **Start Saving Now**

Similar to learning to become more organized and prioritized, investment planning for the future starts now. The best thing to do is to start taking a look at your finances and how much money you're placing into savings monthly. Take small chunks of your paycheck and put them into a particular account that you can't touch. The sooner you place money into a statement, the more time you will have for that money to grow. However, understand at the timing of this article, interest rates are meager. Therefore, it's imperative that you look at an array of investment vehicles that allow you to create returns so that your money will begin to grow as savings start. The critical point here is that starting now is better than not starting at all.

### **Identify Your Needs**

The sooner you identify some of the areas mentioned earlier in this article, the better you will understand your retirement needs. For example, it's

crucial that you recognize what you're guaranteed income will be during your retirement years. Do you plan to use a pension, prepare to use a retirement account, or plan to utilize Social Security? These are all questions you need to begin to address because you need to understand how you Live Today, and the answers provided may not be the way you live tomorrow.

Secondly, it is crucial that you identify what your guaranteed and non-guaranteed expenses will be. It is best to take out either a piece of paper or even a spreadsheet and then determine your monthly fees such as food, utilities, shelter, and other areas that take away from your income. Unfortunately, we all know that we're going to age and that at some point, medical appointments and related expenses will increase. How will you pay for those? The answer to those questions is crucial for your retirement success.

### **Take Advantage of Opportunities**

It's never too late to begin subtype or plan. Therefore, if your employer offers a retirement savings plan, it is crucial that you sign up and contribute what you can. First of all, any retirement savings plan will lower your taxes, and the interest earned from the portfolio will assist you with some of your future retirement savings. If your company does not have a plan, there are individual accounts available that you should seek out through your bank or financial professional.

### **Seek Out a Professional**

In working with individuals such as yourself, there is a very fine line that assists individuals with their future financial needs. The first path is typically called economic improvement. In this capacity, individuals look at small



items such as their retirement analysis, savings, and even as simple as their debt such as student loans to identify ways to improve their situation and plan for financial success. The 2nd way is typically financial planning, which is a much more in-depth analysis that helps an individual or even a couple develop a comprehensive game plan that reviews all resources and all financial situations to provide a better lifestyle and garner higher liquidity. The theology here for anyone who does not have a goal is to engage with a financial professional as soon as possible to design a custom financial analysis for a better future.

There truly is no secret nor magic sauce in creating a proper retirement plan. The best technique is to read as much as possible, ask as many questions as needed, and engage a financial professional. If you have not begun assessing your future needs, now is the time to do so. It's understood it's the conversation that not many want to have, but it is a conversation that everyone must have!

© Drew Stevens. All rights reserved. Drew Stevens works with individuals who want to transform into wealthy professionals by creating more liquidity, creating a better lifestyle, and leaving a lasting legacy. He is reachable at his website at [WWW.Drew-stevens.net](http://WWW.Drew-stevens.net).

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