Planning for Retirement
It's Never Too Early...
or Too Late

Presented by
Millennium Advisory Services, Inc.

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Basic Concepts

- Retirement is both a state of mind and a financial issue
- You are retiring from work but moving into another stage of life
- What do you want to do in this stage?
- What are your goals?
- The answer to these questions will determine how much you need in retirement and how much you'll need to save
- Most people never take this step
Basic Questions

- How much retirement income will I need?
  - Rule of thumb is 70-90% of your pre-retirement income
  - Some expenses will typically be smaller & some will no longer exist
    - Taxes, work related expenses, retirement savings, home
  - Some expenses may be higher
    - Medical, travel, basic living expenses due to inflation
Basic Questions

- How long will I live in retirement and will I outlive my money?
  - Current estimates – retiring today
    - Male age 65 – 17 years in retirement
    - Female age 65 – 20 years in retirement
  - Life expectancy continues to increase
  - Not uncommon to see people living 30 years in retirement
Planning While You’re Young

- Seems vague and far off
- You have other things to buy and do – why start preparing now?
  - You’ll probably have to pay more than previous generations
  - Leverage your biggest ally - TIME
Value of Time

- The Power of Compounding
  - Investor A
    - $1000 from age 20 to 30 @ 7%
    - 11 years only - no more contributions = $11,000
    - At age 65 - $168,514
  - Investor B
    - $1000 from age 30 – 65 @ 7%
    - 35 years = $35,000
    - At age 65 - $147,913
Preparing for Retirement...

...When you’re not so young

– It’s never too late to start – it can only be too late if you don’t start at all!
Preparing for Retirement

- Sock it away – pump everything you can into your retirement plan and personal savings
  - IRAs
  - Roth IRAs
  - Taxable brokerage accounts
  - Annuities
Preparing for Retirement

- Reduce Expenses
  - Funnel savings into your nest egg
- Reevaluate your investments
  - How much risk should you be taking?
- When should you retire?
  - Part-time work?
- Reevaluate your goals
  - Know what is important to you and what you need to do to achieve those goals
- Understand social security and what options make the most sense for you
- Don't dip into retirement savings
Retirement

- So how do you get to retirement?
  - Develop a plan and stick to it
- When do you want to retire?
- How much should you save each month to get there?
Purchasing Your Retirement

- Pay yourself first
  - Contribute to your retirement plan
    - Instant return on your money – Pre-tax
    - What you don’t see, you don’t miss
    - Saves on taxes
- Put bonuses & raises toward savings
- Make saving a habit
  - Create an emergency fund with cash savings of 6-12 months of expenses
- Reduce debt
  - Pay off higher interest rates first
- Revisit your spending plan every few months to make sure you are on track

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## Monthly Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Expenses</th>
<th>Anticipated Expenses at Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
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<tr>
<td>Mortgage or Rent</td>
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<tr>
<td>Homeowner's or Renter's Insurance</td>
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<tr>
<td>Real Estate Taxes</td>
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<tr>
<td>Utilities: Gas / Water / Electric / Trash, etc.</td>
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<td>Cable TV / internet</td>
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<td>Telephone</td>
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<tr>
<td>Repairs / Maintenance / Improvements</td>
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<tr>
<td>Maid / Cleaning Services</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td><strong>Vehicles</strong></td>
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<tr>
<td>Car Payments</td>
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<tr>
<td>Car Insurance</td>
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<tr>
<td>Personal Property Taxes</td>
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<tr>
<td>Repairs / Maintenance / Fees</td>
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<tr>
<td>Gas / Oil</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td><strong>Food and Clothing</strong></td>
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<tr>
<td>Groceries</td>
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<tr>
<td>Eating Out</td>
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<tr>
<td>Toiletries / Cosmetics</td>
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<tr>
<td>Household Products</td>
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<tr>
<td>Clothing</td>
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<tr>
<td>Dry Cleaning / Laundry</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td><strong>Healthcare and Personal Insurance</strong></td>
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<tr>
<td>Medical / Dental / Vision</td>
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<tr>
<td>Life / Disability</td>
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<tr>
<td>Long Term Healthcare</td>
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<tr>
<td><strong>Total</strong></td>
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</tbody>
</table>
Financial Planning Process

Monitoring Your Progress...

As financial markets, financial goals and priorities change, we monitor your progress on an ongoing basis. The Wealthcare process identifies in advance the future portfolio values needed to maintain balance between too little confidence and undue sacrifice. This monitoring process enables us to track where your current portfolio falls so we can alert you of potential problems, or help you achieve additional goals you may have. Additionally, this dynamic process recognizes that throughout your life, goals, priorities and markets change. In such cases we will design new recommendations for you.

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Participant Options – Millennium Advisory Services

- Meet privately with an advisor on campus to complete our goal based financial planning process – spouses/significant others invited

- Receive a complimentary written financial plan with actuarial analysis of savings and investments, future income distribution, and probability of success for reaching goals

- Option to retain Millennium for ongoing, fee-based asset management based on the results of your financial plan (for TIAA-CREF accounts and outside investments if desired)

- Sign-up today and we will contact you to schedule an appointment in the next few weeks

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