

Top Ten Things to Do Before Retiring

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1. Decide how you are going to spend your time. What are you going to do during the first 6 to 12 months in retirement, and what do you plan to do for the rest of your retired life?
2. Determine (realistically) how much money you will spend monthly. Remember to include periodic expenditures such as gifts, vacations, taxes, an occasional new car, and emergencies.
3. Anticipate the cost of health care. You'll have no employer to pay this for you; Medicare, MediGap, and private insurance are all up to you.
4. Buy long-term care insurance. Now.
5. Refinance your mortgage. Many people are shocked to discover that they either cannot borrow money after they retire, or they are forced to pay higher rates.
6. Boost your cash reserves. Make sure your rainy day fund is enough to cover at least six months' worth of expenses.
7. Evaluate your sources of income. You have already figured out what you'll spend on a monthly basis. Now figure out where that money will come from.
8. Revise your investment strategy. The way you've handled your investments over the past 30 years is not how you should handle them for the next 30. While preparing for retirement, you were focused on asset accumulation. When you're in retirement, you need to focus on income and on keeping pace with the increasing cost of living. Assets must be flexible and liquid so you can meet needs you did not anticipate. New words will enter your vocabulary: rollovers and lump sums.
9. Review your estate plan. Review your will and trust. Don't have them? Get them. These documents can protect you and your assets while you are alive and benefit your spouse and children when you pass on.
10. Perhaps the most important thing of all. If you are not excited about retirement, then don't. Many people quickly become bored after retiring. It's OK — even exciting — to return to school or the workplace. Many do this, often in completely new fields.

