

Safe Money Advisory



Caution: Retirement Zone...

**Houston, Texas
For Immediate Release**



We've spent our adult life working for retirement. We've scrimped, cut corners, saved and managed our savings so we can enjoy a secure retirement. Mostly, we've avoided bad investment choices. The dot.com bust in 2000-02 and the market meltdown of 2007-09 were big setbacks, but we've survived. We've made it this far with most of our retirement savings tucked away in a pension plan like a 401(k), 403(B), 457, etc. managed by others. Our payroll deductions going into our retirement account were boosted with employer matches and profit sharing, making the losses less painful. We've escaped the dangers of medical problems, un-insured losses and other unexpected events that could have derailed our retirement. Overall we've done well, but entering the retirement zone is still daunting.

In the retirement zone, we'll be responsible for the management of our money. We'll continue to face life's lottery regarding our health and other emergencies in retirement. Our greatest fear is "outliving the money we've saved" and having to rely on the children, government or charity. We're not fully prepared to make the array of bewildering financial decisions we'll face like "where should we keep our retirement money?" because we lack the training, experience and understanding. While a bank is rock solid safe, interest rates are low, and we'll pay taxes on the earnings even if we don't withdraw them. Putting our money in the market, even mutual funds and variable annuities, is risky because the market can be brutal as we know from 2000-02 and 2007-09. We've been told that "in the long run we'll do better in the market" but that hasn't always been the case. In fact, the market averages in 2009 are the same as in 1997. We might have to wait half of our retirement for the market to recover and in the meantime, inflation is eroding the value of our money. We simply cannot afford market losses because we have no way to make them up. What's more, our annual withdrawals become a rising percentage when losses reduce our savings. So, the market is not for us.

Not only do we need help in keeping our retirement money safe, we also need help with tough decisions that could cost us dearly unless we choose correctly. For example, when to start Social Security benefits: at age 62 (the earliest), age 70 (the latest) or somewhere in-between. If postponed how much will the benefits grow, how will a spouse be affected and what about taxes? We also have the same decisions regarding our qualified retirement money. Is there a right decision on how to coordinate these? What are the costs if we get them wrong?

We cannot afford to take retirement planning lightly – or do none at all. When we enter the retirement zone, we will need professional help. Do-it-yourself investing is a big mistake for most of us. Retirement will be life's biggest purchase, and we can't afford to get it wrong. We must shop for a financial advisor just like we did when buying our home. Once a trusted advisor is found, let's commit to follow their advice as we do with our medical doctor, accountant, attorney and minister. Good luck in the retirement zone.

**Shelby J. Smith, Ph.D.
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