QPconsulting

2022: Tips for Retirement Savers

As the calendar turns, many of us are thinking about Spring, warm weather and more sunlight. As we focus on the path ahead, one item every worker should spend time on is their financial map for 2022. The past few years have brought us a number of challenges that we didn't anticipate. The beauty of planning for retirement is that if done right, it should be a long & boring process. Below are a few tips as you start the year to make sure 2022 has you on the path to a successful retirement.

1) **Focus on your Budget**

   Saving for retirement is important but sometimes there are other priorities. Have you paid down all credit card bills? Do you have an emergency savings account? Are you spending less per month then you are making? These are all important building blocks that should be addressed prior to really cranking up your retirement savings. Check the box on these three and then it can be time to consider doing more then just getting that company match.

2) **Push your savings forward**

   If you've met the items in #1, run a gap analysis to determine if you are on target to retirement. If not, start to gradually increase your savings as your budget allows. In the early years, this can be a bit painful, but it will pay dividends in the long run. By saving in your company plan, you are lowering the income need in retirement so it pays both in the asset accumulation phase as well as the budgeting phase of your plan.

3) **Focus on time in vs. timing of the market**

   Investors spend tons of time worrying about the market. Is it up, is it down, what it is going to do? The most important factor in your long-term investing success will be time in versus timing of the market. To capture the markets long term potential, we can't lose sleep due to its short-term losses.

4) Plan for income needs

If you have done steps one through three successfully and are reaching the end of your savings years, you now need to plan for how to turn that big bucket of money into income. Certain investments will function as shock absorbers for your portfolio when markets get rough. As you are in the income generation phase, it is imperative to have a balanced portfolio that can create income in different market environments. You can either work with a financial adviser to meet this need or you can go it alone. Only after you have determined what you need your investments to produce should you determine an allocation to meet that need.

5) I's & T's

Hopefully well in advance of retirement you have looked at where all the skeletons are hidden. Have you updated those beneficiary forms? Have you executed a living will? Have you clearly outlined who should get what if something happens to you in a will? If you have dependents, have you factored into your plan the income they will need if something happens to you and the costs they will incur if you die prematurely? These topics are rarely pleasant, but you will rest easy knowing you have taken care of them.

At the end of the day, adulting can be pretty difficult. As Ferris Bueller once famously said, "Life moves pretty fast, if you don't stop and look around once in a while, you could miss it". This unfortunately is true when thinking about planning for a successful retirement.