

On Course

February 27, 2018

Volume 18, #2

Welcome to the last installment of our three-part series on retirement planning. We grow so accustomed to having a paycheck deposited into our bank accounts like clockwork. And when you retire, the deposits stop. Then what? Read on to learn how to make your nest egg last.

If you missed Retirement, Part 1 - Retirement Savings, click [here](#). For Retirement, Part 2 - Social Security, click [here](#).

Making the move to retirement can be challenging -- if you need assistance navigating the changes or planning for your retirement, we are here to help you stay *On Course!*

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-Jennifer Lane, CFP

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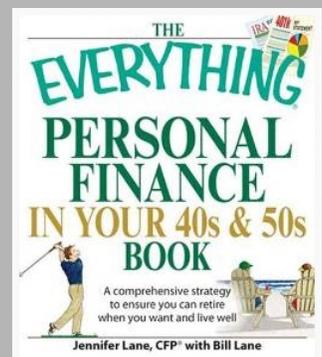
[Monthly Tip](#)



Jennifer's Hint

Whether your partner has been home while you've worked or whether you're both working, you've created certain territorial feelings and habits related to your current lifestyle. As part of your retirement planning, talk together about how you both expect your lifestyle to change.

Get more tips in Jennifer's book



[\(click here for link\)](#)

The Retirement Paycheck

It's important to plan ahead to make sure you have proper funds to support the retirement paycheck. While your paycheck probably acted as a cap on your spending, in retirement you will be withdrawing from a much larger pot than your checking account.

Know how much you spend

- Track your expenses prior to retirement. [Quicken](#) or [MINT](#) can help.
- Don't forget your non-monthly expenses, including real estate taxes, tax payments, travel, holiday expense, medical costs, and gifts.
- Compare your retirement expenses to your current spending.
- As you did when you were working, plan on keeping a liquid emergency account of 6-12 months of expenses.

Create a monthly retirement budget

- Take a look at what income you expect throughout the year (Social Security, pensions, part-time jobs).
- Use both your monthly and non-monthly expenses together with your income to create a budget.
- What is your monthly need from your nest egg?

The monthly paycheck

- Set up a retirement paycheck from your nest egg to your regular checking account.
- Auto deposit the amount needed based on your budget on a regular basis, e.g., monthly.

Save on taxes

- Reorganize your accounts by consolidating retirement plans and IRAs together. Then set up electronic transfer links between your checking

Helpful Websites

and your investments as well as your IRA.

- Spread your asset allocation across all of the accounts with more of the stocks in the taxable accounts and more of the fixed income in the sheltered retirement accounts.
- Make withdrawals from accounts already generating taxable income first and then from your retirements accounts.

Mistakes to avoid

- While the large balance can seem enticing, expenses can get out of control if you're not careful.
- Stick to your budget. Your retirement accounts are not a large pot of money you get to continuously tap into.
- If you're not careful, you could deplete the nest egg you spent so many years building. And it's hard to make that up.

Q&A

Q: My husband and I have just retired! I've always managed the money in the family because of his work schedule. Any advice on how to handle our finances now that he has time to be involved?

-- Chris, Harvard

A: Chris, congratulations and enjoy your retirement! The very best way to manage everything going forward -- no matter who actually pays the bills -- is to institute what I call M&M (the monthly meeting). The process of monthly meetings puts some structure around your money management, both your month-to-month planning and longer-term financial planning tasks such as asset allocation. Include discussion of monthly income and expenses, upcoming expenses, and long-term spending goals. And, since you're newly retired, be sure to talk about whether the cash allowances you're each taking are enough cover entertainment expenses and extras.

What's New

- **CNN Money's Money Moves** featured Jennifer in an article on how to strike the right balance between retiring early and saving enough. Click [here](#) to read the article.
- **WalletHub** asked Jennifer to shed light on the unsustainable credit behavior that leads to negative results and the effects on the economy. Click [here](#) to read Jennifer's comments.
- Jennifer contributed to a **CNN Money** article "When is the Right Time to See a Financial Advisor?" Click [here](#) to read the article.
- Jennifer contributed to **The Wall Street Journal** article "The Biggest Money Mistakes We Make -- Decade by Decade." Click [here](#) to read the article.
- Jennifer recently answered NECN viewer questions about **market volatility and investment portfolios**. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit www.facebook.com/AskJennifer and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 7:30 pm appearance.

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IRS.gov

MINT

NAPFA

Quicken

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