

*Megan Poore, a financial advisor, is a member of the Covenant Presbyterian Foundation Board. The Foundation recently launched an education campaign to help Covenant members and friends plan for their financial future.*

Once many of us get to a certain stage in life, we start thinking about retirement. Are you at that point?

Perhaps you have read a few articles on the subject or have used an online retirement calculator to tell you how much money you should be putting aside to provide you with a comfortable retirement income.

While it is vitally important to have this information, it has been my experience as a financial advisor for more than a decade that some other very important steps in the process are regularly overlooked. Here are a couple of questions to point you in the right direction.

### **How has “retirement” changed?**

According to the U.S. Census, life expectancy has increased by about eight years from the 1970s to 2010. This means that someone who retired at age 65 in 1970 could statistically plan to live about another five years. Someone retiring now at age 65 is expected to live into their late 70s and possibly much longer, which more than doubles the length of time they’ll be retired. Being retired for 15 years or more offers some incredibly exciting opportunities but requires careful planning.

### **What will you be doing? With whom will you be doing it? What will it cost?**

When I ask clients who are in their 40s and 50s how they envision spending their retirement years, I am often met with blank stares. It is impossible to plan for the financial part of retirement if you have not taken time to think and discuss how you would like to spend your time.

The more specific your vision, the more realistic your plans can be. If you are married, talking to your spouse about this is vitally important. Many of us can relate to that old TV show “Green Acres.” The wife wanted to live in the city; the husband envisioned life in the country. Your circumstances may not mirror those exactly, but it is common for spouses to have separate expectations. The sooner you start discussing them, the better.

### **I can downsize, so I should be able to live on less, right?**

Often, couples with children still in school say their plan is to sell their house and buy a much smaller home, freeing up additional assets to fund their retirement. What these folks may not be able to picture is that their children will soon become adults with families of their own. Once grandbabies are a possibility, moving into a smaller house that will not easily accommodate the entire family for the holidays

may not be so enticing. So the old rule of thumb that you can live on 70 percent to 80 percent of your pre-retirement income may not hold true.

As exciting as the idea of not setting an alarm clock Monday morning may be, retirement is also one of life's biggest transitions. Even wonderful transitions can be unsettling—think back to the uncertainty you may have faced while moving out of your childhood home, getting married or having your first baby. The more questions you can ask yourself ahead of time, the less anxiety you will experience when your big day comes.

*For more information about Covenant Presbyterian Foundation, please visit [covenant.org/foundation](http://covenant.org/foundation), or contact Duane Dube or any Trustee: Elizabeth Christian, Everard Davenport, Dianne Erlewine, Larry Faulkner, JoAnne McIntosh, Megan Poore and Tana Taylor.*

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**One generation will commend your works to another... Psalm 145:4**