



# MAKING CENTS

## TOUGH TALK FOR RETIRING BOOMERS

-John P. Napolitano, CFP®, CPA, PFS, MST



**O**K, baby boomers without a retirement fund in place: I'm going to give you the benefit of the doubt that your lack of planning is due to too many financial responsibilities - although chances are better that time just plain got away from you and now is not on your side.

Your late start is definitely going to have an impact on how much you can amass before your "golden" years. But with a little imagination, and a whole lot of commitment, you may still have enough income to see you through.

First, think about when you want to retire and estimate the number of years you expect to live beyond that age. Next, determine how much income you'll need to live comfortably once you retire. That may be tough to achieve if you're in your 60s and just starting to save, but at least get the figure down on paper and look at it as a goal, not an impossibility.

Now, find the Social Security statement you should have received a couple of months before your last birthday. It will describe in detail the amount of eligible benefits you'll get if you retire at age 62, or at full retirement (roughly age 66) or at 70. If you can't locate your statement, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) for a copy and a full explanation.

You probably haven't taken advantage of any retirement plans offered by your employer. If you're hanging your head in shame, run, don't walk to your human resources department, sign up and contribute the maximum amount that you can afford. And find out if your employer offers matching funds. If an employer sponsored retirement plan is not offered at

work, start an IRA. If you can, use the Roth IRA feature versus a traditional IRA.

A Roth IRA is an individual retirement account from which you can withdraw your earnings, tax free, any time after you reach

age 59 1/2, provided your account has been open at least five years. Also unlike a traditional IRA, you will receive no tax deduction when funds are deposited into a Roth IRA account.

If you're in debt, you need a plan to get out of it. Paying the minimum on your credit card bills each month won't cut it if you plan on having a roof over your head and eating in your later years. Also, keep track of your spending habits, and look for ways to save money.

Granted, these tips may only help with a small portion of your retirement needs. You may need to work into your 70s, take a second job now or even sell off some property or belongings to help fund that eventual retirement.

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