

ENTERPRISING RURAL FAMILIES



An Online Newsletter

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ARE YOU READY TO RETIRE?



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Are you ready to retire? For many retirement becomes a reality because of the arrival at one's 65 or 67th birthday, the retirement date arrives, ready or not. I have throughout my career listened to colleagues contemplating retirement.

You may be mentally ready to "take a break" but can you afford it? Are you financially ready to retire? Have you crunched the numbers yourself (or used software), talked to Human Resources and talked to your investment professional?

There are others to consult when considering retirement, such as Social Security.

Many Americans talk about having more money in retirement and dream of living on a tropical island or a mountain paradise. Celebrating unstructured time with family and friends. Is this your reality? The only way to truly know is to crunch the numbers. What resources do you have



available? How much money do I have saved and invested? Is your health good and do you have insurance? There are many more questions to ponder when considering retirement. Below is a checklist of things to ask yourself before you quit work for good.

I recently came across an article from Fidelity Investments which provided this retirement checklist

<https://www.mysavingsatwork.com/atwork/1104818723638/1104818723684/1115701245945.htm>

This newsletter is an instrument of the Enterprising Rural Families:

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Program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

The checklist below can help you organize your activities before you retire.

1. Determine your retirement expenses
2. Review your insurance coverage
3. Note Medicare milestones on your calendar
4. Know when to apply for your Social Security benefits
5. Develop a retirement income plan
6. Select pension benefits and retirement distribution options
7. Review wills, trusts, powers of attorney, and beneficiaries
8. Set aside emergency funds



1. Determining your expenses is important at all ages. Retirement is no exception. Knowing your net worth, have a spending plan and several savings accounts (replacement, emergency and 6-9 months of income). Know exactly what you owe and get any debt paid off before you retire. Go into retirement with no debt. This will give you a piece of mind and allow you to enjoy your free time.

2. Review your insurance coverage: start with health. Ask about any changes, deductible(s), discounts, age restrictions or allowances. Check your prescription coverage and compare providers. Are generic drugs available for a discount? The next insurance is your homeowner or renters insurance. Does your insurance cover your inside contents and others negligence? Has your property value gone up or down? Are there multiple items on your policy? You may get a discount. Third is your vehicle insurance. Look at higher deductible(s) for lower rates for some items. Fourth is umbrella insurance, to cover your assets, recommended for people with net worth of a million dollars plus.

3. Visit the Medicare website and review your benefits based on the criteria. A person can sign up (if eligible), read about benefits, plan A, plan B, costs for Medicare prescriptions and health care, and costs at a glance. They inform about which goods and services are covered under all of these plans. Medicare.gov has a managing your health section in addition to forms and how to section. One can prepare to transition to Medicare and be educated on the process.

4. Know when to apply for your social security benefits by going to their website:

<https://www.ssa.gov/retire/>



5. Create a spending plan for your retirement budget, follow a simple format similar to one you currently use. Use what-if questions to create specific categories. An example is “What if my health were to decline, what costs would be associated with poor health?” Look up dollar amounts for specific goods and services such as prescription glasses. Think about the costs associated with getting older.



currently use. Use what-if questions to create specific categories. An example is “What if my health were to decline, what costs would be associated with poor health?” Look up dollar amounts for specific goods and services such as prescription glasses. Think about the costs associated with getting older.

6. For selecting pension and retirement benefit distribution, you will talk to Human Resources and banking/investment professionals. In addition to looking up your Social Security benefits.

7. Estate planning is critical for all people. Keeping your important documents in a consolidated place with directions is foundational for swift action from your beneficiary. Your will, trust, beneficiary’s, power of attorney, advanced health care directive and all accounts of any kind should be updated, documented and kept in a safe place like a safety deposit box.

8. Set aside emergency funds. It is a wise idea to have three types of emergency funds: 1. \$1,000 in cash for emergencies. 2. A replacement savings fund: or replacing couches, chairs, stoves and more. 3. A 6-9 month emergency savings, based on your net income per month. (If you make \$5,000/month than it would be \$30,000 for 6 months). This does not get touched unless you lose your job.

HINTS for the “not retired” people:

1. Continue to fund your dream and goals by saving money and investing wisely. Living below your means is critical in today’s economy. Seek ways to increase income and decrease expenses.

2. Start to look at the numbers and talking realistically about your situation. There are hundreds of free online calculators that will help you determine mortgages, loans, interest, retirement, investments and more.

3. At what age and when can you afford to retire?

I have a colleague who worked with a financial literacy class which was composed of retired people. Every one of the retirees



had run out of money in retirement. In conclusion, it not a quick and easy process to retire in the United States of America. Many factors can determine the outcome of leaving your job or career for retirement. Only you can make the time to make the necessary choices to be prepared for retirement when your time comes.

In conclusion, retirement and its benefits are very personal and complex and will take time to strategize one's plan.

Tip of the Month



Characteristics of Successful Entrepreneurs

Hannah Swanbom

Passion and Motivation- Passion for your product or service. In addition to having the motivation to work long hours, overcome obstacles and have the drive and determination to be successful regardless.

Risk Takers – Having the confidence and knowledge needed to identify when an unknown risk is worth risking their money and time. Being able to identify smart risks is necessary to be successful as an entrepreneur however, being prepared to overcome failed ventures is critical.

Disciplined- Successful entrepreneurs believe in themselves and are committed to their endeavor.

Adaptable and Flexible- Remaining open to all recommendations and suggestion for optimization and customization that could enhance their clientele needs as well as the markets needs.

Knowledgeable-Knowing your product inside and out is not enough to be a successful entrepreneur. Successful entrepreneurs know their product, their competitor's products and are always educating themselves on the markets needs.

Financial Management – Have the capacity to plan for present and future financial obligations.

Effective Planner- Having a business plan that is adaptable to change if an unforeseen need occurred.

Networking- Successful entrepreneurs reach out and seek mentors with experience in addition to identifying areas where they can delegate work to more skilled individuals.

Prepared to Exit- Not every venture will be successful, knowing when to exit is important.

Question Yourself- Finding a passion and answering “Can I do this”? With a yes, is the first step in becoming an entrepreneur.

Source: <https://www.investopedia.com/articles/personal-finance/101014/10-characteristics-successful-entrepreneurs.asp>