

YOUR TOTAL WEALTH PRE-RETIREMENT ASSESSMENT

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THE FUTURE DEPENDS ON WHAT WE DO IN THE PRESENT

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INTRODUCTION

Are you prepared for retirement? This assessment helps you answer that question. Retirement planning typically considers only your financial needs. But there are many nonfinancial issues that should be considered as well - your emotional, psychological, and social needs. The best retirement planning looks into the future from a perspective of **Total** Wealth. It incorporates both financial and nonfinancial issues. The following assessment helps you develop that perspective.

Planning for retirement can be overwhelming; you are planning for the rest of your life. Because you are considering issues affecting all your tomorrows and your relationship with others, you may want to pause and think about some of the questions. If so, spread your answers across more than one session. This is not a timed test!

DIRECTIONS

Each of the items below is followed by a **Yes** or **No**. Choose the answer that best describes your situation today. It's possible you may be coordinating your retirement with a spouse or significant other. If you are planning to coordinate dual retirements, you should each complete this assessment.

<p>I don't ever plan to retire.</p> <p>➔ <i>If Yes, and you never plan to retire, you've completed the assessment. We wish you health and wealth in all your tomorrows. If No, continue with the assessment.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>1. I have a target date for my retirement.</p> <p>➔ <i>You can collect social security at age 62; but delaying until age 70 increases your monthly payment. Weigh your options carefully.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>2. I have talked to my family about the target date.</p> <p>➔ <i>If No ... talk to them. Your retirement decision affects them, which will affect you.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>3. My retirement will be coordinated with the retirement of a spouse/significant other. We will be retiring at the same time.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

<p>4. The target date is within the next 12 months.</p> <p>➔ <i>If Yes ... make sure you consider the following questions very carefully. Your Total Wealth retirement depends on how you answer them.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>5. I have a vision of what I want to do in retirement and where I want to do it.</p> <p>➔ <i>If No ... start dreaming about what you want to do and why you want do it. If your vision is to simply “relax and unwind” think again. It’s true--You may quickly burn out from the boredom of relaxing and unwinding. Plan on riding off into the sunrise, not the sunset.</i></p> <p><i>If Yes ... start taking steps to fulfill your vision.</i></p> <ul style="list-style-type: none"> • <i>Hobbies?</i> • <i>Volunteering?</i> • <i>Part time work?</i> • <i>Travel?</i> • <i>Developing a social network.</i> • <i>Tidying up ... Getting rid of physical and emotional clutter.</i> 	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>6. I have talked to my family about this vision.</p> <p>➔ <i>If No ... start the conversation today.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>7. My family supports this vision.</p> <p>➔ <i>If No ... continue discussing the issues of disagreement. If the discussions break down, resulting in anger, bring in a family therapist.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

<p>8. I have considered my physical health as a factor in making the vision a reality.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>9. I have considered my psychological and emotional health as a factor in making the vision a reality.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>10. I have calculated the approximate financial costs of making my vision a reality.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>11. My financial calculations include a budget. → <i>If No ... create one.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>12. My calculations consider my projected life expectancy. They also include the possibility of funding long term care if necessary.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>13. My calculations include all possible funding sources for this vision:</p> <ul style="list-style-type: none"> ○ Social Security ○ Pensions ○ Savings and investments ○ Income from part time work 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>14. I have conferred with a financial advisor about the likelihood of funding my vision, given my financial status. → <i>If No ... seek out an Advisor ... check background qualifications, recommendations, certifications, fee structure.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

<p>15. I have a will.</p> <p>➔ <i>If No ... write one</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>16. I have a Living Will.</p> <p>➔ <i>If No ... write one</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>17. I have designated a Power of Attorney to act on my behalf.</p> <p>➔ <i>If No ... get one</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>18. I have designated an executor for my will.</p> <p>➔ <i>If No ... get one</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>19. All documents related to my estate/will are easily accessible to my executor.</p> <p>➔ <i>If No ... plan for a “one stop” location for these documents. If they are in a “secret” place, make sure someone knows the secret.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>20. I have thought about how I will pay my medical bills after I retire.</p> <p>➔ <i>Medicare rules require that you enroll in Medicare when you turn 65 if you don’t have other qualifying health care coverage. Even if you have such coverage, enroll when you turn 65, as enrolling later can be tricky and time consuming. If you are under 65 and planning to retire, be certain you can afford to pay your medical bills until you are 65.</i></p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>21. I am reasonably certain I can afford to retire if inflation is very high or if there is a severe recession.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

<p>22. I have considered how my vision and budgeting will change if inflation is very high or if there is a recession.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>23. I have considered whether my current allocation to risky assets such as stocks is appropriate after I retire.</p> <p>➔ <i>If No you should probably be more financially conservative after you retire. This means allocating more in fixed income securities and less in risky stocks.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>24. I have paid all my bills and have no debt.</p> <p>➔ <i>If No ... then do you have a plan for paying the bills and debt? Maybe you should delay retirement until you have paid down your debt (though reasonable mortgage debt and reasonable car payments are OK).</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>25. My net worth is above the median net worth for an American family, which is about \$125,000.</p> <p>➔ <i>If No you may be unprepared for a comfortable retirement. You must consider the ramifications of your financial situation if you retire. Your answer to this question will also affect your answer to question 11. Budgets affect visions and vice versa.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Congratulations. You've made an important *initial* step in planning for your retirement by looking at both financial and nonfinancial issues. Go back and look at all your answers, especially the **No** answers. Taken together, they give you a To Do list for developing your specific plan. You now have a focus ... and a focus that will enable you to create a Retirement of Total Wealth - financially and personally fulfilling. For more tips, see: www.YourTotalWealth.com .



This assessment is based on *Your Total Wealth: The Heart and Soul of Financial Literacy*, HSF Publishing LLC.