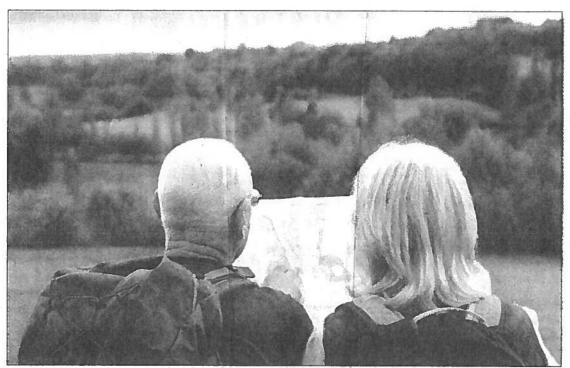
6 RETIREMENT

The Three Stages

Longer life spans, working lives put a premium on planning.



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significant hours volunteering for philanthropic causes.

In the "My Time" phase, they said they would focus on travel and leisure, rewarding themselves for a lifetime of hard work, ticking off items on their bucket list, or spending time on favorite hobbies. Financial needs during this phase would be similar to those in the "Transition" phase, but with a greater emphasis on cash flow at a time when they no longer had salaries and their spending was likely to increase, UBS reported.

"The Last Waltz" phase would be a time of slowing down, living a simpler life, and reflecting on one's life and legacy. There would be less travel, with family more likely to visit. This period was mostly associated with one's 80s and beyond, coinciding with life situations such as ill health or the inability to live independently that survey

respondents said occurred to people they considered "old."

Overall, the survey respondents seemed to underestimate how much of their previous income they would need during retirement.

On average, they said they would need about 60 percent of their previous income during retirement — well below standard industry estimates of 78 percent.

Underestimating annual income needs becomes even more acute in the context of a retirement that may last as long as 30 years.

UBS said survey respondents recognized that they would need more income in the "My Time" phase (63 percent vs. 58 percent for the "Transition"), but they underestimated their expenses for this period.

And though they may spend less during "the Last Waltz" phase on travel and hobbies, most will eventually have high medical and long-term-care expenses during this period, so their estimate of needing 56 percent of their previous income again appears quite low, UBS said.

Plan for the future

Trying to gauge what you have and what you might need in retirement can be confusing and frustrating, but help is available.

The Women's Opportunities Resource Center (WORC) is offering Retirement Income Solutions for Women 50+ starting Oct. 27. The four-week course costs \$60 and is open to the public. The Pennsylvania Institute of CPAs serves as a partner.

Five CPAs developed the program, and participating women will get to meet with a CPA to assess their situation and develop a plan for retirement, with monthly coaching through WORC.

The program will offer expert guest speakers on Social Security, Medicare, life insurance and wills, and ways to supplement income gaps through part-time work or self-employment.

For more information, go to the Women's Opportunities Resource Center website (www.worc-pa.com, click on "Training") or call WORC at 215-564-5500. Participants should have net savings/assets of less than \$250,000. excluding their homes.

Make the money count

Check your Social Security Statement, which is mailed every five years. To sign up: 1-800-772-1213; "my Social Security" at www.ssa.gov.

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40'45'50'55'60'65'70'75'80'85'90'95'00'01'02'03'04'05'06'07'08'08'10'11'12'13'14'15

SOURCE: Social Security Administration

Year of Birth

The Philadelphia Inquirer