

Benchmark

Financial Group, LLC

Design a Countdown-to-Retirement Plan

[By Kathy Chu, USA Today](#)

Retirement can be some of the most rewarding years of your life. Yet many people jeopardize the quality and security of their golden years by not planning. They spend their 20s searching for a partner, their 30s climbing the corporate ladder and their 40s juggling work meetings and their children's soccer games. As retirement nears, they fret about how little they've done to prepare for the next few decades of their life.

One of our consumers' biggest problems? Not saving enough —or sometimes, at all – for retirement.

A survey conducted in November 2010 found that more than one in five adults over the age of 65 had not saved for retirement. Among adults of all ages, one in three had not saved for retirement.

Saving money early, and often is one step to making your golden years secure. Here are others to consider as you approach retirement.

15 years before retirement

If you don't have a financial plan, now's the time to make one. This will allow you to track your savings and help you figure out how much you need in retirement so you won't run out of money. When you are 15 years away from retirement, that's when you have time to plan and make corrections along the way if markets don't perform well. Your finances can also recover if health emergencies arise.

10 years before retirement

If you expect to downsize to a smaller house in retirement, consider doing it sooner rather than later. The savings you get from moving to a smaller, and hopefully less expensive, home will have more time to compound.

A smaller house could mean lower utility and tax bills. And downsizing can give you a cash buffer as you approach retirement so you don't have to tap into a 401(k) or individual retirement account, which could subject you to a 10% early-withdrawal penalty and ordinary income taxes if you haven't reached 59 1/2.

A decade before retirement is also a good time to think about honing a skill that could generate income for you in retirement.

Another way you could use this skill, whether it's fixing a car or making a case, is by trading services with other retirees.

Review your financial plan. Changes in your life—maybe your kids require more financial support or you won the lottery—in the last few years may mean that you have more or less money. That, in turn, could force you to adjust your savings level and your retirement date.

5 years before retirement

Five years before retirement you should build a bucket list of 50 things you want to do in your golden years. Having a vision of the things you want to do will make it more likely that you'll actually do them. We find that the first 20 or 30 are usually pretty easy, then the really meaningful things start to come out.

This list will also be helpful in thinking about how much you'll spend in retirement. Clients tend to spend more per year in retirement than when they were working. Retirees may spend more on medical and living costs, as well as on vacations and family visits.

Start thinking about when you want to take Social Security Benefits. The longer you postpone Social Security payments—until age 70—the bigger your monthly check. But delay these payouts only if you expect to live for many years in retirement.

Other smart moves: Pay off your mortgage before retirement. And try living for one year on your retirement budget. That's the acid test. If you can't do it for a year, how do you think you'll do it for 30 years?