

# What San Diegans need to know about retirement planning

By J. GRAYDON COGHLAN

*Coghlan Financial Group LLC*

Retirement planning often focuses on the need to save for retirement, how to do so and how to stretch out your retirement dollars. According to the Financial Planning Association of San Diego, tomorrow's retirees will need to depend more on their own savings to fund retirement, comfortable company pensions will be fewer, more early retirement packages are being offered and retirees won't be able to depend on Social Security.

Consider the following statistics: A man retiring today at age 65 can expect to live at least another 15.9 years longer, while the life expectancy of a man retiring in 2020 will be 17.6 years, according to the U.S. Census Bureau. A 65-year-old woman today can expect to live another 19.5 years, and 20.6 years by 2020. On top of that, many workers retire before age 65, meaning even more years in retirement. With baby boomers blasting into retirement, the need for financial education is imperative.

Locally, financial planners and individuals alike have noted a comprehensive lack of employee education regarding their retirement benefit plans. Most companies do not educate their employees on how to allocate their 401(k) savings plan contributions and the educational material provided by plan administrators is usually limited to "do-it-yourself" information. This information can be intimidating to some employees and unfortunately mistakes are often made when choosing where to invest plan contributions.

In today's corporate environ-

ment, cost cutting, restructuring and downsizing are prevalent. A variety of early retirement packages are being offered and many employers are finding that these packages are sometimes the answer. By offering long-tenured employees an incentive to take retirement early, employers can replace those retirees with younger workers, often times at a lower rate of pay. Such cost cutting measures can be necessary for a company to remain competitive in the marketplace.

Appropriately allocating investments in an employee's retirement savings plan is also very important. Many need guidance in this area, which is typically not provided by companies or plan administrators. In addition, there are complex rules regarding contributions to and distributions from these retirement plans. Employees need to be aware of these rules in order to avoid potential pitfalls.

Advising individuals and corporations on how they can best achieve their financial goals should be the foremost objective when planning for retirement. Also important is providing this group of people with the tools and guidance necessary for planning their financial future.

**Coghlan Financial Group LLC**, regularly holds free educational seminars for local companies and their employees on the facts and questions of retirement planning. Some of the most common questions they see from San Diegans are:

At what age can I afford to retire?

Will I outlive my retirement?

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## Retirement

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What do I do with my retirement account once I separate from my company?

Will my retirement be enough to live on?

Am I saving enough for my children's education?

Would my family suffer financially in the event of an accident or illness?

Am I paying too much in taxes or could I be keeping more of what I earn?

The questions come easily but the answers don't until further investigation and more in depth planning is done. So much depends on the individual, his or her needs and goals, his or her retirement money available and the company plans and retire-

ment strategies. In addressing these common concerns and in working with employees, Coghlan Financial Group has developed a program called the "Retirement Planning Review". This is a comprehensive review tailored to each individual that provides a future retirement income analysis and helps individuals determine whether or not they are on track to meet their goals. Coghlan Financial Group also provides regular mailings, quarterly newsletters and personal appointments to address more specific retirement planning and investment needs.

For more information visit [www.coghlanfinancial.com](http://www.coghlanfinancial.com) or call 800-884-5121.

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