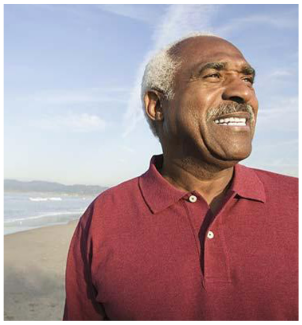
Retirement
Future Planning

by Keith Major



Retirement is a beautiful word if one has prepared for it. People prepared for retirement have disciplined themselves and denied themselves in order to have money saved for when their income ceases. They then travel, visit grandkids in other locales and live at a lifestyle consistent with the past but with more freedom. They are stress-free and can afford most things whether expensive meals or medicine or items.
There is another story of those who didn't prepare for retirement. They lived from month to month, lived high on credit and their overtime thinking that the joyride would last forever and forever. More and more people are fitting into this category as the baby-boomers begin to retire with great frequency.

The question arises, how do I ensure that I'm in the first category and not the second? The answer is through prudent management of your financial affairs , your health and your spending habits from a very young age. While many of us think of retirement when the temples begin graying, we should think of it from the time we get our first job and put something away never to be touched until the time arises.

3 PILLARS OF FINANCIAL PLANNING

There are threes pillars that are necessary for a good retirement. One is your government security. This is your national insurance retirement payment. Money comes from your income every month from when you begin work and at age 65 you are able to receive payment from the national insurance scheme. No social system is designed to fully support anyone, so this is only a partial consideration to your needs.

Secondly, private pensions. This is where your private employer provides a retirement fund for you. Often this is not enough along with national insurance because costs are increasing as you get older but these payments only rise minimally. Meanwhile gas goes up, electricity goes up, food, other taxes.

The third pillar is your savings and investments. A portion of your income must be put aside to supplement your retirement. The First two pillars, national insurance and pensions are a set amount and usually small. Your savings and investments are largely determined by you. These three should allow for a comfortable retirement. Pension plans when created presuppose that children would be finished with their education, mortgages would be paid off and people could live off drastically reduced incomes. This isn't happening as more and more people are engaging in multiple marriages and are having children late and retiring with significant years still due on their mortgage.

PAY YOURSELF FIRST

The only way you pay yourself is by the money you save and don't touch. It's like getting paid today and waiting on your porch is Mr. Visa, Mr. Foodstuff, BEC, BTC and Ms. Hairdresser. So you are left

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with $3.00 dollars. So you put it in the bank. Two weeks later you are paid again and the same people are waiting on your front porch. This time you are left with $2.00 dollars so you put that in the bank. Two weeks later, same scenario but this time you are five dollars short!!!! So you go to the bank and get it.

We are standing last in line for our own money!! The only way to pay yourself is to save money and not touch it. It will then be around for retirement.

THE DAY YOU RETIRE

From your first day at work, you should be planning for retirement by putting aside money to aid in your retirement. Small amounts consistently put aside and not touched from the beginning should grow into a great nest egg. In the same way that one plans for a new car and a home and education for the kids. It's a big ticket item in early financial planning, so one should add retirement to that list from a very tender age. The day you retire starts the day you begin work. So you have worked many years and are about to retire. They have a farewell party for you with the kool-aid drink, tuna sandwiches cake and the $250.00 dollar watch. You invite your pastor and family and many great speeches are made on that day. It reminds one of the passing of a loved one. As long as the funeral has taken place you get a lot of visits and good wishes....but once the body goes down, there ends the attention.

On that last day of retirement you leave and go home after 35 years. You lose all your work friends. Your boss, your colleagues, your work station......all gone.
So you must dive because your income stops. No more income other than what you filled the pool with...your national insurance...not enough...your pension...not enough..your savings and investments?????
The question is how full will the pool be? When your income stops you take a dive into that pool.....if there is a lot of money/ water you swim nicely. If no water or it's low, you fall and you hit your head......you will break your neck and become a financial paraplegic sitting in a wheelchair waiting on your daughter to buy you a ticket to Miami...waiting on your son to pay the light bill...waiting on your sister to bring you a plate of food...waiting, hoping they won't cut the lights off...

10 Common Money Mistakes People Make

To avoid becoming a financial paraplegic avoid these mistakes people make:
1. NOT PLANNING. Note gaps in retirement coverage annually, note gaps in insurance coverage, don't stay in poor investments, don't overpay for financial products.

2. OVERSPENDING Spend within your means. Buying by credit causes you to spend up to 35% more

3. BUYING WITH CONSUMER CREDIT Interest rates are high! Credit card payments pay in full every month. Avoid payday sales slogans.

4.FALLING PREY TO FINANCIAL SALES PITCHES
Great deals are in the papers. You must have the money to get these deals; News ads are designed by marketing professionals who know your buying habits; Avoid pyramid schemes; The lower the downpayment the higher the cost to you.

5.DELAYING SAVINGS FOR RETIREMENT
Save early for retirement; Add it to big ticket items like education, car, house purchases.

6.NOT DOING YOUR HOMEWORK
Shop around for deals; Get another opinion; Investigate the financial company.

7. MAKING DECISIONS ON EMOTIONS
People are vulnerable after job loss, divorce or death
If you can't afford the casket, consider alternatives

8. EXPOSING SELF TO CATASTROPHIC RISKS
You need life insurance if others depend on you; You need health insurance at any age. It becomes very costly in retirement; Cover home against all catastrophes

9. NOT HAVING A VISION BEYOND YOUR JOB
This is the biggest of all. At 55 most people can do many things Moses was 80 when he led the Israelites; Abraham was 75 when promised a child; Look within you to see what you can do in retirement years

10. ROBBING THE OWNER OF EVERYTHING
If you believe in God, remember He owns everything. When you pray and don't return tithe, you are robbing the only one that can help.Giving to the poor and needy is vital to peace of mind.