

# Camelback

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## RETIREMENT READINESS IS IN YOUR HANDS

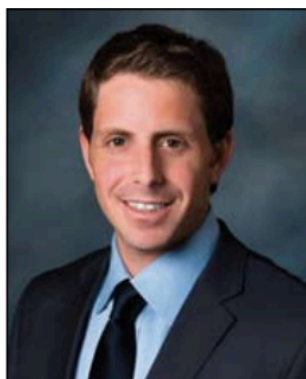
By Andrew Rafal

In a recent study by the National Institute on Retirement Security, Arizona does not rank well when it comes to retirement financial security. The state received a score of four out of ten for its overall financial security in retirement, which includes a variety of measurements; from workplace retirement plan participation rates to Medicare out-of-pocket spending.

These results make it clear that it's important to take action to improve your own financial security and make sure you are financially ready for your golden years. These four tips will help you buck the state's retirement security trend and help yourself become retirement ready.

**1. Make saving a priority** — Arizona scored especially low when it came to their retirement plan participation rates – two out of ten. Saving is the essential step if you are going to have a secure retirement. If you have access to an employer-sponsored retirement plan at work, make sure to take advantage of it, especially if your employer offers a contribution match. If you don't have a retirement account through work, look into opening an IRA or Roth IRA so you can utilize the tax advantages of these accounts while saving for your future. And if you've left any 401(k)s at old jobs, consider rolling them over into an IRA as this will provide you more investment choices and more control over fees.

**2. Pay attention to your investment risk** — Chasing high returns, however tempting, is probably not a good strategy for your retirement nest egg. Instead, you're better off focusing on reaching your long-term goals with a reasonable amount of growth, risk and safety, according to



your specific investment timeline to retirement. Your unique situation will determine exactly how much risk you should take on. Also remember to adjust this strategy as you age to make sure that the money you can't afford to lose is secure as you approach retirement.

**3. Plan for your retirement income** — With pensions dying out and Social Security unreliable, the bulk of your retirement income will probably come from your own savings. Figuring out how to withdraw from your lifetime of savings is called creating an income plan, and doing it the right way is a cornerstone of retirement success that many soon-to- retire individuals overlook. Some investments are better to pull from first, allowing others to continue to grow for another 10 or more years. Make sure you create a retirement income plan that incorporates all the different sources of income you could receive in retirement and the preferred order of distribution so that you will have an income for the duration of your life.

**4. Maximize Social Security** — There are 81 different options for couples to withdraw their Social Security benefits. Do you know which of the 81 is the best choice for your situation? Too many retirees don't take the time to analyze which strategy would be best, and could be missing out on tens of thousands of dollars over the course of their life. By delaying your Social Security benefits you can often get more of a payout in the long run, but that may not be the best option for you. Be sure to fully understand your Social Security benefit options and incorporate the results into your retirement income plan.

Even if Arizona is a four out of ten when it comes to retirement security, you can start working to make your future a ten out of ten. By keeping these four tips in mind, you can be on your way to retirement readiness and a financially secure future.

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