

Do You Have Safe Retirement Investments?

Joe Nielsen February 12, 2015



Photo by patpitchaya

As the stock market reaches then recedes from all time highs, folks are asking themselves if they have safe retirement investments. National statistics don't paint a pretty picture for the prospective retiree.

(Newswire.net -- February 12, 2015) Layton, Utah -- In his book 7 Habits of Highly Effective People, best-selling author Stephen R. Covey poses a seemingly elementary question.

His question is something akin to this:



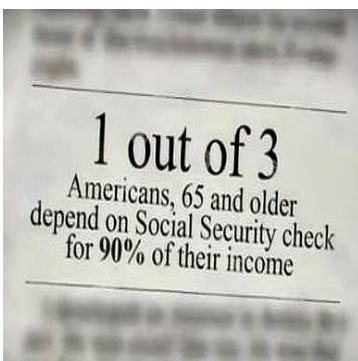
Imagine you are in downtown Chicago and you need to get to a specific destination. Instead of getting a map of Chicago, you were given a map of Australia. Do you think you would be able to get to the correct destination with this map?

The answer is obvious, right? Nobody could hope to reach their destination with the wrong map. You and I need to start right to retire right and that means starting with a map that gets us where we want to go.

With this idea fresh in our minds, let's look at a few national statistics and then discuss them and how they relate to you and me in our pursuit of a rewarding retirement.

Here are some basic numbers obtained by the folks at StatisticBrain.com from the U.S. Census Bureau, via Saperston Companies and Bankrate on the 1st of July 2014. The following statistics are reflective of the population of the United States.

- Baby Boomers in the United States, at the rate of 6,000 per day and increasing, are turning 65. The average retirement age is 62 years old.
- Average length of retirement is 18-20 years.
- During those retirement years medical treatment will be increase for people 65 or older. Spanning a 20 year period the cost for medical care is averaged at \$215,000 for couples.
- Eighty percent (80%) of people ages 30-54 do not believe they will have saved enough money over their lifetimes to sustain their retirement years.
- Thirty five percent (35%) of Americans over age 65 rely on Social Security. This number does not account for the degree of dependence those individuals have to their monthly Social Security checks.
- The percentage of Americans who don't save anything for their retirement is 36%.



These statistics are eye-opening to say the least, but it gets worse.

How much in monthly income would be ideal for your retirement and can your qualified plans provide that?

The so-called experts say that a savings of 20 times your yearly income is needed to provide a similar standard of living or lower through your golden years.

Here are a few more figures to give you an idea of how the "amount" plays out. Please keep in mind that the average 50 year old has only \$43,797 saved for retirement.

It is assumed your money is earning 6 percent per-annum with 2% inflation in each of these scenarios.

- If you desire \$2,000 monthly income your savings will need to be \$333,392 for a 20 year period.
- If you desire \$5,000 monthly income your savings will need to be \$833,479 for a 20 year period.
- If you desire \$8,000 monthly income your savings will need to be \$1,333,567 for a 20 year retirement.
- If you are really ambitious and you want \$10,000 per month, you will need to save \$1,666,958 for a 20 year retirement.

How do the experts expect you and I to achieve these lofty returns when their projections are based on investments with 6% gains year over year and no losses ever? That's just not realistic. Yet they continue to push government qualified savings plans like 401(k)s/Individual Retirement Accounts (IRA) and other mutations of the same because they get paid based on how much they have under management not how well the funds actually do.

Though companies and individuals hire professional managers the actual returns on investment fall far short of projections.

I recommend asking your fund manager if he or she invests their personal funds similar to that of their clients and what kinds of returns they are realizing. If they aren't investing your money in the same stuff they are investing in then you may have a fund manager who does not have your best interests in mind.

Private pensions are a thing of the past and the 401(k) and IRA schemes have been around for over 30 years now and the results are overwhelmingly negative. These ill-named retirement plans have failed to produce adequate income in retirement for over 90% of people using them!

And instead of admitting that the system is flawed they turn around and point the finger at you saying you aren't contributing enough.

I encourage you to try this observation the next time you are out grocery shopping.

- While paying for your groceries please respectfully take note at the ages of the checkout clerks. Instead of highschool kids you will find many, if not most, are older people who have had to come back to work because their 401(k)s and IRAs just didn't cut it. Or maybe they are there because health insurance is too much of a financial drain.

In our American society and in other countries around the world retirees are coming back into the workforce, delaying their retirement, not retiring at all, or simply slipping into abject poverty in their later years because they can't work despite needing to.

This was the wrong map from it's conception. The good news is that [there are people and companies that specialize in creating the proper map for individuals and their retirement goals](#). These maps have liberated thousands from the wall street casino and saved countless retirements.

You and I are not professional money managers and investors but really it's not very important. In fact I don't believe it is essential that you or I are a professional in any of these fields in order to do well and attain our goals.

I believe just the opposite. I suggest we begin taking an educated interest in our financial lives and future. [Learn to use the power of leverage and a team of experts whose goals and values are aligned with our own in order to achieve the results we're after.](#)

Real estate for one is a solid asset and when managed properly will produce positive cash flows every month no matter the market value of the property. By repositioning underperforming and very at risk assets into solid cash flowing real estate in markets that support your investing goals you can weather the financial storms and effectively opt-out of the pending stock market crash.

Most people do not have the time and resources to learn it all and become an expert, but that's life and it's OK. But, with so many options available it is not okay to sit and do nothing. It's time for a new map and a new destination.

About Nielsen Consulting

Joe Nielsen founder of NielsenConsulting.net provides consulting services nationally for completely hands free real estate investing by offering free no obligation opportunity assessments for anyone interested in real estate investing. Brand, authority, and reputation building online for individuals and businesses. Comprehensive estate planning services via state of the art cloud based technology.

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