



Finance After 50 Checklist

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I recently celebrated my 50th birthday and it has begun to sink in that I am on the back end of my longevity curve. Retirement is no longer something “Old” people need to worry about but rather a word that has become a frequent part of my vocabulary. Turning 50 is a perfect time to evaluate your financial situation and determine if your retirement plan is on track. Use this checklist to help you gain firm financial footing so that you can fully enjoy your NEXT 50 years.

Track Your Cash Flow

What is coming in and how is it going out? Which expenses are fixed and which are discretionary? What expenses might go away in retirement? What expenses may increase or appear in retirement? Do you have the capacity to save more now? Track your income and ALL your expenses for the next three months. The result may surprise you!

Pay Down Debt

Make a goal to enter retirement debt-free. Consider adding additional principal to your mortgage payment to shave years off your loan. For other debt, prioritize paying off loans with the highest interest rate. Making a few sacrifices now can provide future flexibility!

Ask for a Raise (if appropriate)

Even if you have had starts and stops in your career you have accumulated a unique knowledge base and valuable experience. Are you being compensated properly for the value you add to your employer? Prepare for a discussion with your employer to make your case but be sure what you are asking for is justified. Have the facts and data to support your request!

Contribute as Much as You Can to Your 401k

Don't despair if you are behind in saving for retirement. You still have several years to ramp up. Take advantage of the catch-up contribution available to people over 50. Remember, the tax benefits you receive now from saving for retirement help offset the reduction in your paycheck!

Connect with HR

Could you explain your paycheck to someone else? Make sure you fully understand all of your benefits. If you have received equity or deferred compensation do you understand when you are entitled to those funds and what the tax consequence might be? Have you ever read your benefits handbook? Ask HR to direct you to your full suite of benefits. You may be missing out on some great perks!

Evaluate Your Insurance

Have your life insurance and disability needs changed? Have you thought about a long-term care scenario? As your wealth has accumulated have your personal lines (home, auto, umbrella) kept pace? Do you have enough insurance? Do you have too much insurance? Get a clear picture of your coverage and the cost of this coverage!

Study Your Investment Statements

Are you keeping track of all of your accounts? How is your money invested? How much do these investments cost? How much risk are you taking? The investments for the 25-year-old you may not be the best investments for the 50 year old you!

Update Your Estate Documents

It may have been 25 years since you looked at this. Kids may now be grown and Executors and Powers of Attorney may be dated. You may have moved to a different state or now own property in multiple states. Most importantly, your wishes may have changed. Make sure someone you trust knows where your estate documents and other personal information can be found!

Develop a Financial Plan

When do you want to retire? How much can you safely spend in retirement? What do you need to do NOW to be prepared? What are your other financial goals? Put a plan in place so you have a roadmap for the next 50 years. Regularly checking in on your progress will help you hold yourself accountable and maximize the probability of achieving your goals!

If this checklist seems overwhelming it does not need to be. You can partner with a financial advisor who can help you navigate through all of these complexities. Molly Goetz (CFP®, CDFA®) is a Partner & Practice Lead at Greenspring Advisors. Contact her if you want to get started on putting a financial plan in place.

Conclusion

This checklist is important but there is one item missing- your VISION for retirement. Have you thought about: Where will you live? Who are you with? What are you doing? Is there a transition period prior to full retirement? You have time for these questions to percolate but the next time you are taking a walk or sipping a glass of wine with a friend or partner give it some thought. To be fully prepared for retirement you have to be financially AND mentally prepared.

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