

OK, I Admit It. I Need Some Help.

By Glenn Ruffenach

June 17, 2007 12:01 am ET

I'm almost 55 years old, and my wife and I have been doing our best to save for retirement. For the most part, we feel good about our efforts. And then...we hear something like we heard last week.

A friend, who has been retired for more than a decade, mentioned in an email that he and his wife had more than \$30,000 in uninsured medical expenses last year -- including several thousand dollars for dental work and \$6,000 for hearing aids.

Sound familiar? I have been reporting and writing about retirement for The Wall Street Journal for almost a decade. In that time, I've been fortunate to speak with and hear from many people who are working hard to prepare for later life. And few things are more discouraging for them (and me) than the latest research (or email) that warns, in so many words: You better save a *gazillion* dollars for retirement, buddy, or be prepared to keep working until age 90.

I know these studies (and my friend) are well-meaning. And I know it's important to have a healthy nest egg for later life. But I can't help but feeling, at times, that -- no matter what my wife and I do -- we'll come up short in retirement.

Which is why it's time to start practicing what I preach: I'm going to get some help with my retirement planning.

Why to See a Pro

Yes, you can glean (and we hope you have) a lot of information from these pages and other resources. But let's be honest: Most of us don't have the expertise, and most of us don't take the time, to develop a solid financial plan for retirement.

What we need -- and what I urge people to get a decade or so before leaving the office -- is a good financial check-up. In doing so, you should end up with an

answer to this question: Are my retirement finances heading in the right direction?

I know I'm doing some things right. I have a (fairly) healthy 401(k) account, to which I'm contributing the maximum allowed each year (and getting the maximum match from my employer). I'm also taking advantage of catch-up provisions in my 401(k) for people age 50-plus. (Uncle Sam allows me to invest an additional \$5,000 in the account each year.)

I even rebalance my nest egg annually. (Unfortunately, fewer than one in five workers go to the trouble.) My wife and I each have an IRA, as well as a taxable savings account.

If all goes well, we hope to retire in about eight years.

No Regrets, Please

Still...I want a "second opinion" about my financial preparations. I don't want to find out a year before retiring that -- back in 2007 -- I was far too conservative (or aggressive) in how I allocated my investments. I don't want someone to tell me at age 63 that -- back in 2007 -- I should have considered buying long-term-care insurance. (Full disclosure: I've written a number of articles about such insurance -- and I'm *still* on the fence.)

I don't want to learn eight years from now -- just as I'm getting ready to walk out of my office for the last time -- that I should have converted my traditional IRA to a Roth when I had the chance. Or that I should have opened a health-savings account. Or that I should have saved more money when my earnings were at their highest. Or that I should have paid off my mortgage. Or that I should have taken a closer look at the (possibly exorbitant) investment fees I was paying, which left my nest egg smaller than it could have been.

I can hear your question: "Fine. So where do I find a good, affordable financial adviser?" That's the trick, of course. It's going to take some work -- and good help won't be cheap. I could easily spend \$2,000 (or more) for a good review of my finances and a plan that takes me forward.

(If that figure gives you pause, consider that many people wouldn't think twice about spending a similar amount on carpeting for their home, a trip to Walt

Disney World or the "leather package" in their next car -- all of which will last considerably shorter than their retirements.)

Finding the Right Adviser

Here's where reporting helps. I know I want a "fee-only" adviser and not a "fee-based" adviser. (There's a big difference; the former tends to have fees that are easier to understand.) And I know I want an adviser who acts as my "fiduciary," who puts my financial interests ahead of his or her firm's.

(All financial advisers are *not* created equal: certified financial planners, brokers, insurance agents and "financial counselors" can have very different obligations and agendas. Failing to understand these distinctions is asking for trouble.)

This means I start by looking at groups like the National Association of Personal Financial Advisors (napfa.org), Cambridge Advisors (cambridgeadvisors.com) and the Garrett Planning Network (garrettplanningnetwork.com), which can direct me to fee-only advisers in my area. (Garrett advisers, in particular, charge by the hour, a more affordable way for many people to begin this process.)

It means I start interviewing prospective advisers with a list of questions like the one found at the Certified Financial Planner Board of Standards's cfp.net (under "Learn About Financial Planning" and "How to Choose a Planner"). And it means I get my own financial paperwork in order so I can save time (and money) when I actually sit down with an adviser.

Speaking of studies, it's estimated that about half of all Americans are on track to maintain their lifestyle in retirement; the rest might (or will) have a tough time. I have no idea if I'll get hit with \$30,000 in uninsured medical expenses in later life, or if my nest egg (whatever its final size) will cover every contingency in retirement.

But I do know this: I plan to be in that first 50%.

Glenn Ruffenach is the editor of The Wall Street Journal's Encore section. Email: encore@wsj.com

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/articles/SB118203430228738043>