

Costly Mistakes Made By Retirees

The Denver Post recently (February 19, 2012) had an article about some mistakes that retirees make and “despite the best of intentions, retirees tend to make the same money mistakes over and over and over again.” Here are some of the most common –

Bailing Out the Kids – in these difficult economic times it is hard to ignore the pleadings of family for loans and economic “bailouts”. But first make sure you know how much you can afford. If you remain committed to your own long term estate plan, you will have financial independence...if not you may just be relying on the kids for YOUR bailout.

Paying Too Much Tax – Good estate planning can minimize the tax impact of withdrawals from individual retirement accounts and other retirement vehicles.

Being Too Conservative with Money – There are no clear formulas for successful investing, but if you keep all your funds in low earning investments you may fall short of your long term goals for financial security.

Following the Financial Advice of Friends and Family – If you don’t have a financial adviser, then do your research using dependable online resources or organizations. That tempting stock tip from Uncle Jimmy could turn into a costly mistake.

Underestimating Your Life Expectancy – People are living longer and healthier lives and many retirees have not made adequate provisions for a longer life span. Prudent financial and estate planning can provide the resources to meet your retirement needs well into your full life expectancy.

Underestimating the Costs of Health Care – This has become a real hot button issue and more people are considering supplemental insurance to fill the Medicare “gaps.” If you are considering a long term care policy, make sure you do your research and compare several policies.