

# Looking Ahead to Retirement: Assessing Your Situation – Video Transcript

Determining where you stand, identifying potential resources you have to work with, and modeling different scenarios can help you make appropriate planning decisions.

To get to where you want to go, you need to know where you are starting.

You'll need to identify any assets you currently have that can be used in retirement, such as any IRAs, 401(k)s, or other investment assets, as well as any potential future assets, such as an inheritance or the sale of a business or property.

This includes examining your sources of income — both now, as a resource to work with, and in retirement, such as any pension income.

You'll also need to review your anticipated expenses in retirement.

Many people use their current standard of living to estimate retirement expenses, adjusting for expected changes, such as no longer commuting, and any new expenses as well.

Once you've estimated your potential sources of income and expenses, the next step is to consider some major factors that could impact your retirement.

Inflation is a big factor that needs to be estimated to make projections. Higher levels of inflation lead to higher future costs; lower levels of inflation mean lower increases — but still higher future costs.

Another important assumption is your future rate of return.

Some people plan to be very conservative with investments in retirement.

Others may consider taking on more risk in search of potentially greater returns.

Modeling, with the help of online calculators or a financial professional, allows you to consider various retirement scenarios based on your resources and assumptions.

It's important to consider worst-case scenarios as well as more probable outcomes.

Examining where you are and where you are headed is an important step.

The information can help you make decisions that may improve your retirement.

*All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.*

*There is no guarantee that working with a financial professional will improve investment results.*

*There is no assurance that a model will be accurate. Because of the many variables involved, an investor should not rely on models without realizing their limitations.*