

# Wealth News

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Information from Nutmeg State FCU and CFS\* to help keep your financial life in balance

## Consumer Sense

### Road to Recovery

The recent economic recession has been called the worst bear market since the Great Depression. Since the start of the recession, investors have seen their retirement account balances decline by 30 percent or more.

According to a report by Wachovia Economics Group, an economic recovery may be looming in light of recent improvements of the leading indicators and overall sales of goods and services. If their findings don't do much to calm your fears, you are not alone. That being said, the most productive step you can take as an investor is to regain control of your financial future. Especially in the aftermath of significant portfolio losses, it is important to consider these basic strategies that can put you back on the path to achieving your retirement goals.

### Postponing Retirement

For many, the thought of postponing retirement may seem more like a nightmare than a solution. But consider how delaying retirement a

few years might positively affect your retirement-income goals. Based on a recent study by Financial Engines, for many near-retirees, delaying retirement by 2 to 3 years can get them back on track without any increase in annual savings.

According to the same report, "Delaying retirement is more effective than commonly realized, because it compounds several factors: allowing more years of savings, giving savings more time to grow, decreasing the number of years of retirement spending that need to be funded, and increasing Social Security benefits."

### Cash Management

Although it might be a sobering experience, take a real assessment of your spending habits and reset your expectations for spending in retirement. Reducing spending might have more of an impact on your retirement than you think. According to a new report from Americans for Secure Retirement, if

Boomers maintain their current standard of living and don't cut costs, three out of five will outlive their financial assets in retirement. If reducing spending is a challenge, consider working with a credit counseling agency to help improve your chances of reaching your goals.

### Seek Advice

If you're like most people, you don't have time to constantly monitor holdings, evaluate portfolios and regularly rebalance your investments to keep them in line with your risk tolerance and investment objectives. Consider working with a financial professional; he or she may help to add focus in pursuit of your financial goals. The investment representative at your credit union can aid in helping you make informed decisions about your portfolio. Planning carefully, investing wisely and spending thoughtfully will help increase the likelihood that you get back on track to a financially secure retirement.

#### Sources:

[http://corp.financialengines.com/press\\_room/press\\_releases/2009/20090622.html](http://corp.financialengines.com/press_room/press_releases/2009/20090622.html);

Silva, John. "Recession Probability Drops Again- This Time to 37 Percent." Wachovia Economics Group Jun. 25, 2009.

## Have You Read...

Financial Planning: The AARP Retirement Survival Guide: How to Make Smart Financial Decisions in Good Times and Bad by Julie Jason. Bank bailouts. Ponzi schemes. Plunging financial markets. Given today's dire headlines, planning a secure retirement has become a more critical task than ever.

### Interested in Learning More?

I specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call me to set an appointment to review your investment objectives, and to discuss any questions you might have. I look forward to speaking with you!

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Do you have a topic you'd like to see covered in future Wealth News newsletters? Email your questions and comments to me at: [smarks@nutmegstatefcu.org](mailto:smarks@nutmegstatefcu.org).