

A NURSE'S GUIDE TO FINANCIAL HEALTH: RETIREMENT STRATEGIES



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By Jennifer DeGuire Freeman, CLTC

Nurses are often reminding patients that it's never too early—or too late—to start taking care of your health. As a healthcare provider, you understand that a few smart choices now can make a big difference later. And no matter what your age, the worst thing you can do is nothing.

Your financial health works the same way. We all know that it's best to start preparing for retirement at an early age, but too many nurses don't have a firm plan in place. Then, as retirement approaches, they start to worry that nothing can be done so late in the game.

First, let me give you some good news. It's not too late. You can make a difference starting today. The first step is to develop a clear vision of what retirement looks like to you. It's different for everyone. What goals do you hope to achieve? How much retirement income will you need to maintain your lifestyle? Are you properly accounting for inflation? Are you protected financially in the event of a debilitating illness or the death of a spouse?

It's vital to explore your answers thoroughly and realistically in order to develop your personal retirement goals. A financial advisor can help walk you through the process. They can also help you evaluate the range of retirement strategies available to you.

In the healthcare industry today, hospitals and physician practices may be moving away from traditional pension

plans and offering 401(k) plans instead. Like any other retirement investment, a 401(k) requires periodic review and adjustments—but too often they are stuck on autopilot for decades. As a result, your investments may not be keeping pace with changes in the world, economic conditions, or your personal situation.

As you approach retirement, you'll typically want to increase diversification and pursue a less aggressive growth strategy. Diversification does not ensure a profit or guarantee against a loss. This may help keep your nest egg secure and protect your monthly income after retirement. At the same time, it's important not to become overly conservative. A 1% return, for example, will lose pace to inflation. As prices go up, you may find yourself drawing down your retirement account too quickly. Again, regular adjustments are necessary to properly manage the account. A financial advisor can help you with this process. Your advisor can help you determine, your goals, risk tolerance and objectives so that they can prepare a suitable analysis. In addition, your advisor can also help you develop revenue streams that not only cover the cost of life insurance but long term care (LTC) insurance as well.

As a nurse, you know how harmful it can be when a patient delays a healthcare decision or simply refuses to think about it. Don't fall into the same trap when it comes to retirement. The peace of mind you gain from having a strategy in place is beyond measure.