The Importance of
PLANNING YOUR FUTURE

Will my investments generate enough income during my retirement years? Am I invested appropriately for my age and given level of risk? Am I optimally utilizing Social Security? Am I mentally prepared for retirement?

If you are asking yourself these questions, you are not alone.

According to the Employee Benefit Research Institute's annual *Retirement Confidence Survey*, more than 40% of Americans are not confident they will have enough money to live comfortably throughout their retirement years.[1]

While having doubts about the uncertainty of retirement is understandable, GuideStone® wants to help you take proactive steps in planning for your future. Let's look at five things you can do now to help with your confidence.

THE CATCH-UP ADVANTAGES

As you approach retirement age, there are many opportunities to make the most of your money. GuideStone's personal financial advisors recommend setting aside 15% of your gross income into investment vehicles, but you may need to set aside 20%–25% depending on your situation or if you started saving later.

Individuals who are age 50 and older are permitted to make special catch-up contributions to both their IRA and employer-sponsored retirement plans. These added savings opportunities can benefit those who are looking to grow their investments tax-free and increase retirement savings at a time when income may be high.

Maximum contribution limits are adjusted annually to account for inflation. See how much you can contribute in 2019:

	401(k), 403(b) and most 457 plans	Traditional and Roth IRAs
49 Age 49 and under	$19,000	$6,000
50 Age 50 and older (Catch-up contributions)	Additional $6,000	Additional $1,000

INVEST FOR THE LONG TERM

Many investors allow emotions to drive their investment decisions rather than adhering to an appropriate, diversified strategy over an extended period of time.

Instead of chasing returns or making short-term bets in the market, try investing for the long term in a disciplined, strategic way.

REGULATE SPENDING HABITS

With the average person's life expectancy now reaching 78 years,[2] it is important for investors to consider their own longevity and how that relates to their spending habits in retirement. These two components play an important role in your financial planning and should not be overlooked as you approach retirement.

Conventional wisdom states that a typical retiree should not be withdrawing more than 4% of their investable assets annually if the goal is for their retirement savings to remain level throughout their life expectancy; however, higher amounts are often needed to sustain income during retirement. The amount you need to withdraw can fluctuate depending on your investment allocation or market performance. It is recommended for those at or near retirement to pay close attention to their income and expenses and adjust spending habits as needed to prevent unsustainable withdrawals.

OPTIMIZE SOCIAL SECURITY BENEFITS

Retirees should be cautious of claiming Social Security benefits prematurely, without considering alternatives. It is generally to your advantage to delay collecting benefits as long as you are able, as a benefit is permanently reduced for each month you collect before you reach your full Social Security retirement age. Additionally, if you wait to receive your benefit, it will be permanently increased for each month you delay beyond your full retirement age, up to age 70.

Generally, if you are in good health and have sufficient income and/or savings, it rarely makes sense to claim Social Security early. While there are limited situations where different Social Security filing strategies can be implemented, if retirees don't take a thoughtful approach in claiming benefits, they could be leaving thousands of dollars on the table.

IDENTIFY SAVINGS PLAN IMPROVEMENTS

At the end of the day, retirement planning is about compromise. Find your balance between managing today's living expenses and growing your savings plan to best meet tomorrow's retirement needs. Evaluate the facts and circumstances surrounding your current financial plan and try to improve in areas where deficiencies exist. If you have never developed a financial plan, consider starting a conversation with a GuideStone personal financial advisor today.

For further information, call **1-888-98-GUIDE** (1-888-984-8433). It's our privilege to serve you.

[1] Employee Benefit Research Institute and Greenwald & Associates, *2017 Retirement Confidence Survey.*

[2] U.S. Department of Health and Human Services, NCHS Data Brief, "Mortality in the United States, 2016," *https://www.cdc.gov/nchs/data/databriefs/db293.pdf.*

Advisory services offered through GuideStone Advisors®, an SEC Registered Investment Adviser.
GuideStone Advisors is a controlled-affiliate of GuideStone Financial Resources®.

GuideStone®