

Make Asset Protection an Important Part of Your Retirement Savings Strategy

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For most individuals and couples earnestly planning for their retirement, the process typically revolves around wealth accumulation. While wealth accumulation is certainly a dynamic part of any retirement planning strategy, at a certain point the need emerges for those nearing retirement to switch their focus away from *growing* to *protecting* what has taken them a lifetime to accumulate.

Accumulation vs. Preservation

Regardless of when you begin saving, comprehensive retirement planning typically takes place in two stages—wealth accumulation and wealth preservation.

Most people are well aware of the first phase and the need to amass as much money as possible to ensure their assets last throughout their retirement. This may be accomplished with high-reward solutions that help pad their nest eggs. However, riskier solutions can also have adverse consequences on your retirement planning agenda the closer you get to retirement.

At some point, it becomes crucial for pre-retirees to lower their appetite for risk, take a step back from wealth accumulation and focus their efforts on wealth preservation. This involves pulling your money out of precarious ventures and putting it into safer alternatives to preserve and protect against volatility, which can significantly deplete your assets just when you need them most.

Shifting Gears

Individuals approaching retirement should consider making the transition from the wealth accumulation phase to the wealth preservation phase of their retirement planning initiative a few years before they plan to retire. The exact age will differ from person to person, but making the transition too close to your planned retirement could put your wealth at risk through potential losses. A significant loss in your retirement savings at that point could lead to you delaying your retirement, having to work longer than you initially planned, or not being able to live the lifestyle you planned for your retirement.

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Bill Demaree of Demaree Retirement Services has been helping individuals, couples and families plan for and meet their retirement goals for more than 28 years.

To successfully make the transition to wealth preservation and ensure you can meet your retirement goals, here are some best practices to keep in mind:

Set Goals

Long before retirement—or even before the transition to the wealth preservation phase—it’s important for individuals and couples to think long and hard about the type of lifestyle they want to have when they retire. Do you wish to travel or purchase a vacation home? Would you like to start a new venture? Have you thought about how you would like to manage your long-term care needs? Have a clear understanding of your retirement goals and create a strategy that will help you achieve those goals.

Educate Yourself

There are countless resources available for retirees and those nearing retirement to help them better understand the strategies and tactics available to help meet retirement goals. Having a better understanding of those strategies and tactics will lead to better informed decisions and choices that align with your personal goals for your future.

Select the Right Options for Your Situation

Asset allocation strategies all have their place, but it's important to know where that place is. Understand where you are in your retirement strategy, and ask yourself if your current strategies are appropriate for your current situation. Choose appropriate solutions based on your current retirement planning timeline. Properly safeguarding your assets is a critical component of retirement wealth planning and management. For retired individuals or those beginning to think in earnest about their retirement, it's important to understand when the proper time to transition is and how to do so successfully in order to meet your personal retirement goals and enjoy your retirement worry-free.

Indianapolis-based Demaree Retirement Services specializes in safeguarding and growing assets for clients in or approaching retirement, helping to meet their retirement goals. Recognized in Indianapolis as Your Retirement Guy™, Bill Demaree, owner and founder of Demaree Retirement Services, has been helping individuals, couples and families transition from the accumulation phase of retirement to wealth preservation for more than 28 years. For more information, visit www.demareeretirementservices.com. ■
