

Published based on [How to Fight Your Retirement Fears](#)

How to Fight Your Retirement Fears

If you want to bring up a scary topic, it's not what you might think – it's retirement. Many Americans are freaking out about the future. In a new survey from Wells Fargo & Co., 40% of affluent (those with \$ 100,000-\$ 250,000 in investable assets) Americans say their biggest fear about retirement is that they "will do all the right things today and it still won't be enough for tomorrow" and 9% fear they "will have under saved and won't recover." If the glitter set is jittery, where does that leave the rest of us?

The last few months, survey after survey has revealed angst. Many people are saying they will delay retirement and work until at least 80. They are looking at 401ks and other retirement accounts and are wondering where in the world is the money going to come from to fuel the fun? There's a certain gloom, "we'll never make it" hanging in the retirement air.

But you know what they say about fear – it's false evidence appearing real. For sure, some fears around retirement are based on a very harsh reality. But what gets lost in all the panic is that you are not powerless. If you step back, assess where you are right now on the road retirement and don't like what you see, the journey is not over, rechart your course.

Here's how to put your fears to rest.

Pay yourself first

You might think it's selfish to consider yourself number one, but when it comes to money, pay yourself first. Quite simply, explains Kevin Kautzmann, a certified financial planner with EBNY Financial, -- treat yourself like a bill. All the other bills get paid; just make sure you do too. If you don't make your savings a priority, you'll fall short in your savings goal. Take advantage of the fact that the limit on 401k goes up in 2012 to \$ 17,000. Don't leave any employer matches on the table. Be ready to say no. Too many people are bailing out their children and grandchildren and putting their retirement at risk.

Invest wisely

Do not invest in highly volatile investments as volatility never ends well, cautions Jeff Sica, of Sica Wealth Management. Forget chasing market rallies. They are often short lived and result in ending up with stocks declining substantially. He also isn't into bargain hunting when it comes to stocks because it's difficult to determine what is a bargain and what is not in an overly volatile market like today. Keep your investment philosophy simple: consider your worst case scenario in making an investment. If that investment would permanently alter your lifestyle if it didn't work out, don't do it.

Develop a plan

Stop guessing. Many investors, even the wealthy are anxious in large part due to a lack of understanding of investment/planning basics. Executing a comprehensive retirement plan which illustrates potential outcomes based on varying assumptions regarding rates of return, inflation, and longevity for example, can go a long way in allaying investor fears. When going through this process, a lucky few will inevitably come to realize that even when very negative assumptions are made, they still have a very low likelihood of ever running out of money, says John Hauserman, president of RetirementQuest Wealth Management. Even if you don't arrive at that rosy conclusion, you will at least reach a point in which you are able to focus on the real risks rather than being routinely overwhelmed by the non-stop barrage of financial negativity.

Focus on priorities

Distinguish the difference between your needs and your wants. Needs are expenses that would prove catastrophic should you fail to cover them, like your mortgage, rent, and utilities. Wants are the second home, gifting to children. Much of the dread people feel about retirement comes from the fear that they won't be able to meet their needs. Building lower risk investment strategies designed to cover your basic needs can provide a high

degree of comfort for retirees. However, if you have the appetite for risk, earmark those strategies for your “wants”. Failure to reach your wants does not embody the same tragic consequences.

Julie Murphy Casserly, a certified financial planner with JMC Wealth Management keeps it real: stop thinking about all the “should dos” for preparing for retirement and listen to your own intuition as to how your money has to be set up to serve you best. Visualize your ideal years in retirement and then align your money with that visualization.

To conquer fear is the beginning of wisdom.

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