



Are you really ready—a five year retirement countdown

In 2022, NASA is scheduled to send astronauts into orbit around the moon, returning humans to deep space for the first time since 1972.

The mission will utilize the Orion space vehicle, a spacecraft that has already been 13 years in development. It's first shakeout flight was in 2014, 8 years before the mission. Now with 4 years to go, NASA will continue to ramp up test flights to make sure that the vehicle is fully operational.¹

But isn't 17 years of planning a little excessive just to ensure the success of a mission that's expected to last a week?

NASA engineers will tell you that it's absolutely necessary. In the case of a catastrophic failure, the crew can't just return to the launch pad. Once Orion has launched, it's vital that everything continues to go exactly according to plan.

Maximizing the probability of the desired outcomes requires years of planning and evaluation.

The five year countdown

Your successful launch into retirement is similar in this way to a space mission. Both require a countdown, a predetermined time sequence in which specific things must be completed in order for the launch to be a success.

Given that the five years right before you give up a steady paycheck are especially crucial, The New York Times spoke with a variety of advisors, planners, and retirees about what a typical five-year countdown might look like.²

Here are some of their suggestions for each year.

Five years to go: This first step may be the most daunting. Take a big-picture look to see if your expected nest egg will enable you to live the lifestyle you want. At this point you still have time to adjust both your investments and your expectations.

Four years to go: Start planning for where you're going to live, including your possible need for long-term care. This is also a good time to ensure your will is in order.

Three years to go: Decide how you want to live day-to-day when you're no longer working. This is also likely to affect your housing plans.

Two years to go: Take a closer look at your tax situation. There may be several important things to consider as you change tax brackets and are planning investment withdrawals. Also, it's not a bad idea at this time to "practice being retired." For several months actually try living on your expected retirement income.

The final year: You still have the chance to reevaluate your timing. Would continuing to work a few months more be appropriate? This is a good time to evaluate your health insurance situation. And finally, assess your asset allocation, making sure your investments are positioned for the next state in life.

Of course, since your situation is unique, neither your retirement plan nor your five year countdown will look like anybody else's. So be sure to work with your trusted advisor.

Sources:

1. <https://arstechnica.com/science/2018/05/nasas-orion-spacecraft-getting-closer-to-finally-flying-again/>
2. <https://www.nytimes.com/2018/07/06/business/retirement-five-year-plan.html>

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