

How to Talk to an Advisor About Planning for Retirement

Introduction

Retirement planning is one of the most important things you can do to create long-term security. Whether you're currently working with a financial advisor or you're able to access financial advice through your plan administrator, a personalized plan can help you meet your financial needs during retirement. Below are some terms that can help to facilitate your conversation.



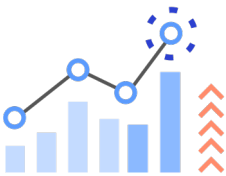
Terms to Know

Your advisor might mention these common financial terms. Here's what they mean.

Retirement Planning	Retirement planning is the process of establishing your financial goals for retirement and outlining an action plan necessary to achieve those goals.
Qualified Retirement Plan	A qualified retirement plan is a retirement plan that meets the requirements of Internal Revenue Code Section 401(a) of the IRS and is eligible to receive certain tax benefits. Examples of qualified retirement plans include 401(k), 403(b), and profit-share plans.
Risk Tolerance	An assessment of risk, individual risk tolerance is a personal volatility threshold connected with an investment portfolio. Greater risk tolerance is often synonymous with equities and equity funds and ETFs, while lower risk tolerance is often associated with bonds, bond funds, and ETFs.
401(k)	A 401(k) plan is a retirement savings plan offered by many American employers. Employees who sign up for a 401(k) plan have a portion of each paycheck paid directly into an investment account. Those contributions are also sometimes matched by an employer.
Diversification	Diversification is a risk management strategy that mixes a wide variety of investments within a portfolio. A diversified portfolio contains a mix of asset types and investment vehicles in an attempt to limit exposure to any single asset.
Annuity	A green fund is a mutual fund or another investment vehicle that will only invest in companies that are deemed socially conscious in their business dealings or directly promote environmental responsibility.
Individual Retirement Account (IRA)	An individual retirement account, also known as an IRA, is a tax-advantaged savings account that individuals can open to save and invest for the long term. An IRA can be opened through a bank, an online brokerage, or an investment company.

Questions to Ask

A conversation with your financial advisor should take your key retirement questions into account. These questions will help you start a conversation with your advisor about the best ways to balance income and expenses in retirement. If you’re just starting to work with an advisor, getting a sense of their qualifications and their compensation model may also be helpful.



About Retirement Planning

- ☐ How can I determine my personal savings goals for retirement?
- ☐ Should I consider a retirement savings plan outside of the one provided by my employer?
- ☐ How can I ensure that my portfolio is optimized to minimize risk?

About Staying on Track With Retirement Savings

- ☐ What are some simple ways to establish retirement savings goals?
- ☐ How often should I track my progress?
- ☐ What factors should I take into account when making adjustments to my current strategy?

About Retirement Income Streams

- ☐ What are some ways I can diversify my sources of income?
- ☐ Are retirement annuities a good option for my financial needs?
- ☐ What’s the difference between variable and fixed annuities?