

Making Your Money Last A Lifetime

By Larry Hayes



Of all the many books and articles that I have read on retirement, none are more useful than Jane Bryant Quinn's "How to Make Your Money Last: The Indispensable Retirement Guide."

Unlike many others, Jane is not trying to sell you anything and has no hidden agenda. An award winning author, she has had a long career as a nationally known commentator on personal finance. Her latest book on money and retirement provides practical, in-depth advice on many of the major financial aspects of retirement planning. She writes about what type of annuities, mutual funds and bonds to buy...and to avoid. Plus provides useful and current information about reverse mortgages, social security, housing, health and life insurance.

MONEY TIPS



Annuities

Immediate-Pay Fixed annuities are the simplest and safest of all annuities. Put up some money and in return, get a fixed monthly income for life. However, Jane is not a fan of "variable" annuities that promise high returns but often come with hidden high fees.

"The entire financial industry tries to get people to buy complex instruments and depend on advisors who charge them commissions. I've always written that the simplest and lowest cost investments are the best. Look at index mutual funds where you may pay as little as 0.05 percent a year for the money management. These investments out-perform most of the actively-managed mutual funds in the world."

Retirement Investments

Buy only low cost, index mutual funds such as those from Fidelity and Vanguard. "High cost index funds, sold by commissioned financial advisors, waste your money, reduce your returns and make it harder to stretch your savings over your lifetime."

Housing

Use your home equity if you need to make a major spending cut. Sell or rent your house and buy something smaller. A reverse mortgage may also be a way to increase your income.

Social Security

Put off taking Social Security until 70, if you can. You earn an additional 8 percent of your full benefit for every year of delay. SSI is America's finest retirement plan but most people need more money to live on.

Simplify Your Financial Life

Assemble all your financial records including IRAs and 401ks in the same place. Consolidate your bank accounts. The goal is to simplify your financial life.

Estate Planning

Update your will and living trust, if you have one. Make sure you have an End of Life Directive in place and your family and doctor have copies.

Financial Planners

Use fee-only Certified Financial Planners (CFPs). They do not sell financial products or take sales commissions. No hidden costs. Always best to invest with a fiduciary.

Editor's Note: To order Jane Bryant Quinn's book on "How to Make Your Money Last," go to amazon.com.