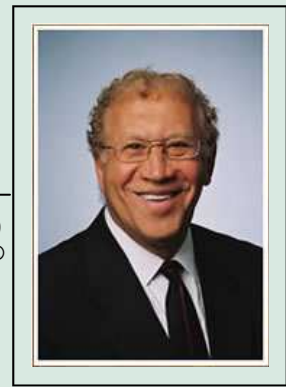


# In the Press

Webb Financial Group, LLC

**Jerry Webb**  
CFP®



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## DAILY NEWS

### Meeting Retirement Needs

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Tom Van Riper

When baseball star Keith Hernandez was traded by the St. Louis Cardinals to the Mets 22 years ago this month, he was so distraught he wasn't sure he wanted to keep playing.

The then 29-year-old firstbaseman reportedly phoned his agent to see if he'd amassed enough funds to carry him for life if he retired that day. Only when his agent gave him the thumbs-down did Hernandez reluctantly leave the defending champion Cardinals for the lowly Mets.

Of course, major league ballplayers are among the rare few who can even think about retiring at 29. Things worked out okay for Hernandez — he eventually took to New York and led the Mets to a World Series title three years later, earning millions along the way.

But for most toiling daily at warehouses, construction sites, large and small restaurants and offices (even newsrooms), retirement comes at age 65 or later. And many haven't come up with even a ball-park figure of what it'll take to make their golden years worry-free.

**"Most people don't have enough because they have no plan at all," said financial planner Jerry Webb**

**of the Webb Financial Group.** People live longer these days, which means they have to increase their savings to avoid outliving their money. It has been determined that

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when both a husband and wife reach 65, at least one will live to age 92 or beyond.

**"So you need to plan for about 25 years," Webb said.**

The basic plan experts preach seems simple. First determine what your monthly income needs will be after retiring. Then check into what kind of revenue stream can be expected from Social Security and retirement plans like a pension, 401(k) and IRA. If it's not enough, look at other assets that can be liquidated like a house, inheritance or other investments.

Figuring these numbers requires so

many assumptions that it's easy to get thrown off. Many underestimate their future income needs or get too optimistic about what their home or other investments will be worth, experts say.

**"Think back to what you paid for a car or home 20 years ago," Webb said. "It's a good predictor of what your things will be worth 15 or 20 years later."**

A helpful planning worksheet for crunching retirement numbers can be found at the American Savings Education Council Web site ([asec.org/tools](http://asec.org/tools)).

Most financial planners advise clients they'll only need about 70% of their current income for retirement because expenses and taxes will be lower.

But that's not always the case, especially for those who want more out of retirement than golf, sun and grandkids. What if you want to travel a lot? Or get out to nice restaurants and shows? Also, do you prefer to sell the house and move or stay put? Can you scale down to one car?

Experts say the only way for a cou-

ple to work out an accurate budget is to put all their cards on the table early about what each expects.

"It's an emotional issue that deals with mortality, but everyone needs to go through it," said Brent Neiser, a director at the National Endowment for Financial Education. He added that moving to another state involves many variables that people sometimes overlook, such as changing tax rates and different laws that regulate access to health care.

And for those 50 and over who haven't started serious retirement planning yet, don't panic — there are ways to catch up. Those workers can now put additional "catch up" funds into qualified retirement plans.

The 50-plus set can invest an extra \$4,000 into a 401(k) this year, and an extra \$5,000 next year, over and above the standard \$14,000 pre-tax contribution. They can also add \$500 more into an IRA in 2005, followed by \$1,000 more in 2006.

Less time may necessitate investing more aggressively and taking on more risk, the AARP points out. But that can be balanced by selecting diversified mutual funds with low fees and experienced managers.

**"These aren't just financial decisions, it's what kind of life you're going to have," Webb said.**

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