Five Tips For Financial Stability In Retirement Years

By staying out of debt, practicing smart personal finance and maximizing cash flow, such as by selling your life insurance policy through a “life settlement,” your golden years could be more comfortable. Learn more at www.LISA.org and (202) 580-6188.

1. Stay out of debt. Debt can be destabilizing because it robs seniors of some of their free cash flow and reduces the amount of money they can spend each month. Credit card spending is especially dangerous for retirees, so consider a pay-as-you-go habit for new purchases.

2. Be a smart investor. Whether you have a small retirement savings or a large investment portfolio, a diversified low-cost investment strategy can deliver additional income for spending and help you stay ahead of inflation. Choose a mix of stocks, bonds and cash that helps you sleep soundly at night, according to The Vanguard Group.

3. Consider downsizing. Many retirees are hesitant to move out of the home where they raised their children, which is understandable for both emotional and practical reasons. But it might improve your financial stability to sell your current home and buy a less expensive one for retirement, pocketing the difference and investing it wisely.

4. Delay Social Security. For retirees who have not yet signed up to collect their Social Security benefits, it may be advisable to delay that start date as long as possible. This may sound counter-intuitive if you are searching for financial stability, but research has found that most seniors will benefit from the higher payouts they will receive by deferring to age 70, if possible.

5. Increase cash flow. One way to raise the amount of cash available for funding your retirement is to work part-time, an option that is more available to seniors than ever before. Another possibility is to unlock cash tied up in assets that you might not even realize can be sold. For example, a life insurance policy is considered your personal property and—as such—you have the right to sell that policy anytime you like. When a consumer sells a policy in a “life settlement” transaction, the policy owner gets a cash payment and the purchaser of the policy assumes all future premium payments, then receives the death benefit when the original policyholder passes away. Candidates for life settlements are typically aged 70 years or older, with a life insurance policy that has a death benefit of at least $100,000.

A comfortable retirement is possible without an enormous nest egg, but it is very difficult without at least some degree of financial stability. By staying out of debt, practicing smart personal finance and maximizing cash flow, the vision you had of your golden years could be within reach.

To learn more about how to generate cash from a life settlement, visit www.LISA.org or call the LISA office at (202) 580-6188.