PACIFIC LIFE insights

RETIREMENT PLANNING RETIREMENT STRATEGIES GROUP JANUARY 2022

ACTION ITEMS TO START OFF THE NEW YEAR RIGHT

The start of 2022 is another opportunity to help clients get their financial houses in order. To procrastinate is human nature, but you can help clients start off the year right.

As holiday bills come due, many clients may realize they have overextended themselves over the holidays. Financial professionals then have the opportunity to help those clients repair their finances in the new year. You can share these actions items with clients to help them self-assess and improve their financial health:

- **Manage spending.** Some clients may want to get a better handle on their spending priorities. Have them consider consolidating consumer debt with a low-rate balance transfer—but only if they're committed to avoiding future overspending.
- **Pay yourself first.** Clients can use direct deposit to establish a savings account for emergency use. 3-9 months of living expense is a good place to start, and if clients have more, they can portion out the extra for luxuries like vacations or gifts.
- **Check out that 401(k).** Did your client get a raise for the New Year? Have them consider saving that extra money with a higher deferral into their company retirement plan. Be sure to have them review their 401(k) to make sure that they are properly allocated for risk and growth.
- **Update beneficiaries**. A new year means new life changes. Getting married, divorced, or having children are major changes and should prompt a beneficiary review. Clients can start the new year off right by making sure they have the proper beneficiary plan in place. This has the added bonus of smoothing over what would otherwise be an especially trying time for surviving loved ones.
- **Review insurance coverage.** Make sure clients have enough life insurance coverage to provide for their families should they need it. Especially if they are the primary breadwinners, clients must be sure that their family will be able to cover the financial shortfall in their absence.

The holidays and the period after can be a challenging financial time, but you can reach out and remind clients that they don't need to navigate financial planning in the new year alone. Take this opportunity to showcase your value and set up your clients up for a successful start to 2022.

Additional Resources and Links

[Retirement Strategies Blog]

[A Protected Approach to Retirement Spending]

[Retirement Income Translator Tool]

For more information about retirement planning, please contact our Retirement Strategies Group at RSG@PacificLife.com or (800) 722-2333, ext. 3939.
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