

Five Tips for Retirement Planning in a Challenging Economy

"What do I do now?" This is the question that is being asked by everyone from baby boomers on the cusp of retirement to 20-somethings who have just started their retirement savings. Today's volatile market has left everyone in the dark.

"Challenging economic times call for a return to basic principles, like a commitment to personal savings, seeking professional advice to help investors assess their personal situations, and employing a holistic approach to retirement planning," advises Christine Marcks, president of Prudential Retirement.

A thoughtful approach to preparing for retirement is important for all individuals, no matter how far off retirement might be. Prudential has developed "The Four Pillars of U.S. Retirement" as a framework to discuss how Americans can prepare for and live in retirement.

For most Americans, no single pillar will be sufficient to meet retirement income needs. Now more than ever, to save and plan effectively for a secure retirement, individuals should consider how Social Security, workplace-provided programs, personal savings, and retirement choices will affect their ability to live comfortably in the future.

Here are five back-to-basics tips to help Americans get their retirement plans back on track in this challenging market:

1. Know the options and outcomes for drawing your Social Security benefits.

If you are nearing retirement, be sure to understand your options and how you can maximize your Social Security benefits. Be clear about the tax implications of early or delayed benefits.

2. Continue to leverage and maximize your workplace-provided programs.

If you aren't already, enroll in your workplace-sponsored defined contribution plan -- 401(k), 403(b), etc. -- if one is available. You should contribute at least enough to get the full benefit of a sponsor match. This is not the time to "leave money on the table."

Also consider in-plan investment options, such as target-date funds, automatic asset-allocation programs, and even guarantee-based vehicles that can protect savings and income and offer a guaranteed retirement paycheck.

3. Make the most of your personal savings.

Despite the uncertain economy, remain calm. Follow the basic principle of investment diversification, which continues to be an important element of any financial plan. Work with a financial advisor to appropriately allocate assets based on age, risk tolerance and years to retirement.

4. Assess -- and maybe reassess -- your retirement choices.

The current downturn may require you to re-examine key retirement choices, such as when to retire or where to live. A tax-efficient approach to taking retirement income can play a big part in how long your retirement assets will last. Understand the financial implications of your desired lifestyle and consider which choices make sense for your personal situation.

5. Seek advice from a financial professional.

If you don't already have a financial advisor, a trusted friend or peer can be a good source for referrals. Schedule a time to have a [conversation](#) with a professional who can provide you with detailed advice about planning for your future retirement.

"Planning for retirement now by taking the back-to-basics approach is very important," says Marcks. "In a down economy we must all take a realistic position on how different areas of our retirement are affected in order to have a bright financial future."

Take the first step today and visit www.prudential.com.

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