

Retirewise[®]

Exercise Booklet



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Monthly Expenses	Current		Retirement	
	Needs	Wants	Needs	Wants
Housing and Related Expenses				
Rent / mortgage				
Real estate / association fees				
Heat / AC / electric				
Phone				
Water / sewer / garbage				
Property taxes				
Home insurance				
Property care (lawn, etc.)				
Home maintenance (repairs, painting, etc.)				
Cable / internet / subscriptions				
Other:				
Other:				
Housing Totals:				
Transportation Expenses				
Car payments				
License / registration / maintenance				
Gas / parking				
Insurance				
Public transportation (bus, train, etc.)				
Other:				
Transportation Totals:				
Personal Expenses				
Childcare				
Groceries / restaurant / takeout				
Personal care, hairdresser, etc.				
Clothing / shoes				
Gym membership / hobbies				
Vacation / leisure / entertainment				
Education (you / spouse / children)				
Debts (other than car / mortgage)				
Charitable donations				
Gifts to children / grandchildren / others				
Pet care				
Savings				
Federal income tax				
State income tax				
Other:				
Personal Totals:				
Medical Expenses / Insurance Premiums				
Medical (copay, prescriptions, etc.)				
Eye care (glasses, contacts, etc.)				
In-home care services				
Health Insurance Premiums (Medicaid / Medicare)				
Long-Term Care Insurance Premiums				
Life Insurance Premiums				
Disability Income Insurance Premiums				
Other:				
Medical / Insurance Totals:				
Total Monthly Expenses:				

Envision Your Retirement—Part 1

Place

If you were living your vision of the good life, and had enough resources to do what you love doing, where would you live? What would your lifestyle be like?

People

Who would you spend your time with? Who is in your support system? Do you have other resources to build additional supports, should you need them? What would you do?

Work

If you had the resources, would you work or volunteer? If so, what would your ideal work be? Would you go to school? What would you study? What type of avocation, hobbies or creative expression would you like to pursue?

Purpose

If you had the resources, would you like to leave a legacy? What type of personal and/or financial legacy would you like to leave? How would you like to make a difference in the world?

Envision Your Retirement—Part 1

Risk Tolerance Assessment

Risk Tolerance Assessment

To measure your risk tolerance, **circle a number for each item, then add up the numbers*** to determine a risk tolerance score.

Circle One Number for Each Question:

I have a short investment time horizon, few years until I'll need most of my money.	< 1 2 3 4 >	I have a long investment time horizon, many years until I'll need most of my money.
I try to minimize the risk of investment losses, both long term and short term.	< 1 2 3 4 >	I'm willing to tolerate short-term losses to earn higher long-term returns.
I would feel great if a very conservative fund allocation kept me from losing money when the stock market declined.	< 1 2 3 4 >	I would feel great if an aggressive fund allocation allowed me to make large investment gains when the stock market increased dramatically.
In choosing between funds, my primary goal is to not lose any principal contributed to my account.	< 1 2 3 4 >	In choosing between funds, my primary goal is to earn as high a rate of return as possible.
I'm willing to contribute a greater percent of salary, so I can invest conservatively and avoid risk.	< 1 2 3 4 >	I'm willing to risk losing my principal for the chances of earning higher returns over time, so I can reduce my monthly contributions.
I would be very upset if my quarterly or annual return was negative.	< 1 2 3 4 >	I could accept a quarterly or annual negative return, if my aggressive allocation gave the chance for higher longterm returns.
If the stock market dropped 10% over a few days, I'd probably move my savings out of stocks to keep from losing more money.	< 1 2 3 4 >	If the stock market dropped 10% over a few days, I'd probably move more of my savings into stocks to get in on the next market increase.
The time horizon and cost of my goals are not flexible, so unexpected investment losses would be a difficult setback for me.	< 1 2 3 4 >	The time horizon and cost of my goals are flexible, so unexpected investment losses would only mean delaying the goal or spending less on it.

*If you don't answer all of the questions, divide your score by the number of items answered and multiply by 8.

Add Up Your Risk Tolerance Score _____



Risk Tolerance scores range from 8 to 32; a moderate score is 20. A low risk tolerance score may suggest putting more money in conservative funds that have lower volatility and risk. A high score may suggest a tolerance for putting more money in aggressive funds that have higher volatility and risk.

How diversified are your holdings?

How diversified are your holdings?

You can have investments in stocks, bonds, and cash equivalents in a number of places: your employer plans, mutual funds, and brokerage accounts. While you may have a diversification strategy in each account, have you considered how diversified you are overall? Start by completing this worksheet, writing in how much you have in each asset class in all your current investments. Then determine your overall diversification.

	Stocks	Bonds	Cash Equivalents
Employer Plans	\$	\$	\$
Personal Retirement Plans	\$	\$	\$
Mutual Funds	\$	\$	\$
Individual Securities	\$	\$	\$
Total	\$	\$	\$

1.	Total in all three categories	\$
2.	Calculate percentage in stocks (Total invested in stocks column divided by answer in #1)	\$
3.	Calculate percentage in bonds (Total invested in bonds column divided by answer in #1)	\$
4.	Calculate percentage in cash equivalents (Total invested in cash equivalents column divided by answer in #1)	\$

Envision Your Retirement— Part 2

Envision Your Retirement—Part 2

The following questions may help make your vision of retirement more tangible. They are geared to help put perspective on the things that are important to you and help you to achieve these goals as you move forward with your retirement planning.

Place

1. When you retire, do you plan on living where you are or do you plan to relocate?

- Remain where I am
- Move within the same community to a different home
- Move to a different location (e.g., near children, grandchildren, etc.)
- 50+ community
- Other

2. What type of home environment do you plan on living in?

- House
- Apartment, condo
- 50+ community
- Other

3. How will the cost of living compare to what you are accustomed to?

- More
- Less
- No change

4. What are your travel plans? What annual travel costs do you anticipate?

5. As you look ahead, does your vision of the right place for you offer you the right climate, adequate transportation, healthcare services, and feelings of safety?

- Yes
- No

6. If your health were to affect your lifestyle later in life, where and how would you like to receive any necessary care?

- At home from a family member
- At home from a home care worker
- Assisted living facility/community
- Adult day care programs
- Continuing Care Community
- Nursing home

7. Have you thought about the costs associated with the type of care you may need and how you would cover the expenses?

- Yes
- No

People

1. Will you have family, friends, and a support system in the place where you plan to retire?

- Yes
- No

2. If not, do you make new friends easily?

- Yes
- No

3. Will your retirement plans include travel with or to important people in your life?

- Yes
- No

4. At your planned age of retirement, will you anticipate being responsible for anyone, or helping anyone financially?

- Yes
- No

5. If yes, for whom?

- Spouse
- Child (adult or minor)
- Grandchildren
- Elderly parents(s)
- Other

6. How important is it to you to leave an inheritance?

1 2 3 4 5
Not Very Critically Important

7. Do you or your family members have any health concerns or family health history that worries you, or may impact your lifestyle in the future?

- Yes
- No

8. If yes, what are they and how do you think they will impact you?

9. Are you currently a caregiver for a loved one?

- Yes
- No

10. If yes, for whom?

- Spouse
- Child (adult or minor)
- Grandchildren
- Elderly parents(s)
- Other

11. Have you incurred many out-of-pocket expenses as a caregiver?

- Yes
- No

12. Has your role as a caregiver impacted your view of retirement?

- Yes
- No

13. If yes, how has your view changed?

Work

1. Do you plan to retire?

- Yes
- No, never
- Semi-retire

2. If so, at what age do you plan to transition?

3. How important is that date?

1 2 3 4 5
Not Very Critically Important

4. If necessary, would you rather work longer, save more now, or spend less in retirement?

- Work longer
- Save more now
- Spend less

5. Do you intend to work during retirement? Full time? Part time?

- Yes, full time
- Yes, part time
- Not at all
- Seasonally
- Undecided

6. If you DO intend to work, what would you imagine your main reason to do so?

- To be involved and stimulated
- Additional income
- To maintain benefits
- To pursue other opportunities
- To start your own business

7. Will this work give you a sense of purpose?

- Yes
- No

8. If not, how will you find a sense of purpose?

9. Have you identified interests or causes that you would like to pursue?

Are you retirement ready?

Are you retirement ready?

Background

Planning for Retirement

Many people look forward to retirement, whether it will be a period of leisure opportunities, spending more time with family and friends, more community involvement, travel, a new career, or potentially a little of everything. It may be a period of life when one gets up in the morning and starts the day out of a sense of passion rather than “have to.” It is a life stage that requires attention to a number of important tasks in order to prepare for a more fulfilling and secure retirement. Think of these tasks as your own personal “to do” list in getting ready for retirement.

The Transition to Retirement ...and After

In the last 50 years, retirement has become less of a date certain event and more of an extended period that may last for 20–30 years. So, careful planning and decision-making are necessary. And the decisions will have to include issues like whether you will need to make lifestyle changes, whether you want to continue working or maybe even have to continue, what type of work or career would be most satisfying, what goals and priorities you have, sources of guaranteed income and benefits, important decisions about your family, and what you want to do with the rest of your life. With some guidance from financial professionals, information available on the Internet and other sources, thought and consideration about your own needs both financial and otherwise, and discussion with your family and friends, taking the right steps about when and how to retire is certainly attainable. The process doesn't end the day you retire, either. It's an ongoing process of making adjustments, and often new decisions to deal with new and unexpected circumstances or your own evolving needs and goals.

The Retirement Readiness Tasks

Research has found that the transition into retirement is more successful for those who have substantially completed activities in preparation for their retirement decision. These include areas such as work, leisure time and activities, relationships with family and co-workers, obtaining employer and federal benefits, and planning for the future. The completion of these tasks does not mean that you should retire, rather that you are more prepared to make the important decisions about retiring that will help you have a more successful retirement transition.

Retirement Readiness Assessment

There are 15 Retirement Readiness Tasks associated with the transition into retirement. By taking a few moments to complete the assessment, you can quickly see how you are progressing on these important activities and easily identify tasks that you can continue to work to complete after taking the assessment. Remember that there are no right answers, only an opportunity to see how you are doing. By taking the assessment you are taking an important step toward having a more successful transition into retirement.

1. Taking the Assessment

On the following page are 15 Retirement Readiness Tasks. For each task, score your level of completion in the columns after the task by checking either 1 (not at all complete), 2 (partly complete), 3 (mostly complete), or 4 (fully complete).

Remember, there are no “right” or “wrong” answers and giving an honest assessment of your level of completion on a task can help you better understand your progress to retirement.

2. Scoring Your Assessment

Count how many 1s, 2s, 3s, and 4s you have identified on your task assessment. Add together your 3s and 4s into a combined “tasks completed” score. Look on page 20 to see how your scores compare to others who are also preparing for this transition.

Category	Task	1	2	3	4
Work	Decided whether to fully retire, or to work part-time in retirement				✓
	Determined which of my skills could be easily transferred to a new part-time job				✓
	Looked into alternate career or part-time work opportunities for myself in retirement		✓		
	Formulated ideas about how much I'd like to work in retirement			✓	
	Explored what employment possibilities are available to me if I want to keep working full- or part-time in retirement	✓			
Leisure & Activity	Determined the proper balance between work and leisure time if forced to choose		✓		
	Identified my personal goals in retirement			✓	
Relationships	Considered the importance of relationships with co-workers when making a decision to retire	✓			
	Considered how the various aspects of my retirement might positively or negatively affect the relationships I have with my family and friends	✓			
Income & Benefits	Assessed whether full-time retirement would be financially feasible for me at this point in my life		✓		
	Evaluated how changes in the economy will affect my pension, investments, and retirement benefits		✓		
	Determined the steps that are necessary for maintaining a personally satisfying retirement		✓		
Planning	Determined the factors which are critical to maintaining a personally satisfying retirement	✓			
	Developed an alternative plan that could get me through a considerable and unexpected setback in my retirement	✓			
	Evaluated whether my retirement plans meet the demands of personal, social, and financial changes		✓		
Totals		5	6	2	2

← Not at all complete → Fully complete

Category	Task	1	2	3	4
Work	Decided whether to fully retire, or to work part-time in retirement				
	Determined which of my skills could be easily transferred to a new part-time job				
	Looked into alternate career or part-time work opportunities for myself in retirement				
	Formulated ideas about how much I'd like to work in retirement				
Leisure & Activity	Explored what employment possibilities are available to me if I want to keep working full- or part-time in retirement				
	Determined the proper balance between work and leisure time if forced to choose				
Relationships	Identified my personal goals in retirement				
	Considered the importance of relationships with co-workers when making a decision to retire				
Income & Benefits	Considered how the various aspects of my retirement might positively or negatively affect the relationships I have with my family and friends				
	Assessed whether full-time retirement would be financially feasible for me at this point in my life				
	Evaluated how changes in the economy will affect my pension, investments, and retirement benefits				
Planning	Determined the steps that are necessary for maintaining a personally satisfying retirement				
	Determined the factors which are critical to maintaining a personally satisfying retirement				
	Developed an alternative plan that could get me through a considerable and unexpected setback in my retirement				
	Evaluated whether my retirement plans meet the demands of personal, social, and financial changes				
Totals					

How am I doing?

Already retired?

With life full of uncertainties, and our needs, circumstances, and personal priorities changing, ongoing decision-making, assessment, and updating plans are essential throughout retirement. It's a good idea to revisit the tasks and activities involved in preparing for retirement to determine if anything needs to be changed, updated, or revised in order to ensure that this life stage remains the best years of your life.

Are you within 5 years from retirement?

If you are within five years of when you'd like to retire, you should have at least eight boxes checked as either a 3 or 4. If you do, you're well along the path to making an informed decision.

If you don't, it's time to seriously start thinking and planning for your future retirement decision, and even more importantly, to start taking some action. Use the Retirement Readiness Tasks as a guide for things you will want to have done to start getting serious about your retirement decision. It's certainly time to start working with a financial professional if you haven't already, get details about your potential sources of income from your employer, government benefits, etc., and continue to move along your path into retirement.

Are you 6-15 years from retirement?

Although it may seem too uncertain or too far away to consider, this period is actually very critical. By the end of this stage, you should have at least seven boxes checked as either a 3 or a 4. By getting and staying on track now, you have time to adjust, continue to add to your financial security, and make important initial decisions that will provide a clearer path as you progress toward your retirement goals.

Are you a little behind? You should start to focus on your vision of retirement, and to have a discussion with a financial professional to align your financial and life goals.

Are you 16+ years from retirement?

It is not too early to begin knocking off some of these important tasks that lead to a retirement that's right for you. Getting started on these tasks can give you more options and more time to make the choices that matter to you most.

At this stage, you should have at least three items checked as a 3 or 4.

Don't have three items checked? Even though retirement is some time from now, your chances of achieving the retirement of your dreams will improve with taking some basic steps to determine where you want to go and how to get there.

Notes

These planning tips offer general advice, and are not a substitute for consultation with an appropriate professional. Please see a financial professional, attorney, or other appropriate professional, when determining how the information and recommendations discussed apply to your specific situation.

MetLife administers the Retirewise program, but has arranged for Massachusetts Mutual Life Insurance Company (MassMutual) to have specially-trained financial professionals offer financial education and, upon request, provide personal guidance to employees and former employees of companies providing Retirewise through MetLife.

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