

**BRAVE
NEW**

The nation lost 9 million jobs and saw \$9 trillion in household wealth vanish during the Great Recession and stock market instability of the last few years.

Now that the dust has settled, a few truths are emerging to inform investing and planning decisions in this brave new world. Call them the new rules for retirement.

**RULE 1/ FORGET
ABOUT THE NUMBER**

Before the recession, financial planners focused clients on the dollar amount they would need for a secure retirement—this amount was simply called the number. Now that your nest egg has dwindled appreciably, experts advise turning your attention to the type of lifestyle your savings can provide you. Don't obsess over restoring your savings to pre-recession levels.

"The first thing to do is not look at the amount, but reconsider what you

**RETIREMENT**

By Katherine Reynolds Lewis for USA TODAY

want your life to look like. You don't necessarily need to think about replenishing the amount you lost," says Jean Setzfand, director of financial security for AARP. "You're essentially resetting the bar."

San Diego financial planner Gordon Tudor sees clients living within their newly reduced means through simpler pleasures like game nights and enjoying the outdoors, rather than dinners out or lavish vacations. Some are supplementing their income with part-time work.

**RULE 2/ WORK CAN
BE PART OF RETIREMENT**

Simply put, the days of a clear end to your working life are over. The new retirement will include periods of paid work for many Americans, Tudor says.

If you still are working, consider remaining employed so you can rebuild your savings and delay drawing down on Social Security. If you lost your job in the recession or retired, you may be able to find work as the job market improves.

A little-known fact about Social Security is that you can stop and start your benefits to accommodate changes in your employment situation, says Phillip Levine, an economics professor at Wellesley College and co-author of *Reconsidering Retirement: How Losses and Layoffs Affect Older Workers*. For instance, if you were laid off and took early Social Security at age 62, but then found a new job at age 65, you could stop your benefits and work another three years before claiming Social Security again. The result: your monthly benefit check would increase to about what it would've been if you had never taken early retirement.

**RULE 3/ DON'T BE
SCARED OF STOCKS**

A post-recession fear of equities alarms personal finance experts. A recent Wells Fargo poll found 65 percent of people aren't confident in the stock market. But fixed-income investments won't keep you ahead of inflation and cost of living increases, says Karen Wimbish, head of retail retirement for Wells Fargo.

"In the Great Recession, people rediscovered that there are really big risks out there," explains Liz Weston, Los Angeles-based author of *The 10 Commandments of Money*. "What they're not realizing is that they still have decades left to live. The best way to beat inflation is with some of your portfolio in stocks."

There's nothing like seeing your nest egg drop by 40 to 50 percent to bring home the risks of the stock market, Weston says. But the bigger risk is that inflation will erode your purchasing power and you'll outlive your savings.

**RULE 4/ YOU NEED
A PLAN**

Anyone can make money when the economy is booming and stocks are on the rise. The Great Recession brought home to many Americans the importance of having a plan for retirement—and adjusting it as the economy and markets fluctuate.

"If you don't know where you're going, any road will take you there," says Wimbish, whose survey found only 33 percent of Americans had a written plan. "You've got to have a plan and you've got to write it down."