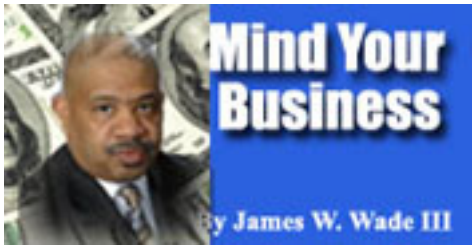

Social Security has to pay for everything once you stop working, so make sure you even have good insurance so you can be prepared for something major with your home so you can have it repaired.

Preparing for retirement at 70

The economy is still struggling. Unemployment is still high but, as we determine who will be the leader for theUnited Statesin November, we must also wonder about the future of Social Security.

The thought of working to 65 only to learn there is no Social Security for you, can be startling. Just thinking of this happening makes me want to retire right now. Social Security is primarily funded through dedicated payroll taxes called Federal Insurance Contributions Act tax (FICA).

Some people are making the decision to work well beyond that age. Me, I want to enjoy my time off even if all I have to do is roll over and change the cable channel.

If you have worked at least 40 years, you should be able to relax and enjoy the fruits of your labor at 65. I see a lot of city workers do their 30 years and retired at age 48. That's right, they do 30 and out then some do side jobs.

Now many have chosen to work for that almighty dollar and “Mr. Need More” because of their lifestyle and material desires. With everybody living longer, they are advising you to wait until you are at least in your 70’s before trying to get your Social security.

It’s a sure thing that, if you live longer and waiting to collect Social Security, you will get more money. Always remember, if you die, your spouse will get the money because you will be covered under the Social Security Survivor’s Insurance program.

If you retire earlier then the eligibility age, you don’t get all your money.

If you are not old enough for full retirement, you will get around 71 percent to 99 percent of your deceased spouse’s full benefit. If you are a widow or widower with children under 16, no matter how old you are, you will get 75 percent.

Growing up, all I heard from TV was Social Security will run out by a certain time. Now that I have worked for a little while, I am concerned if I’ll see any money when I retire. Both my parents have already retired and getting their money.

I want to walk out my house to the backyard and grill some burgers and a nice juicy steak while others head to work. When it’s cold outside during those winter months, I want to stay inside and watch the “View” and movies on cable.

Now, a lot of places offer 401Ks as a retirement option. A 401K is a type of retirement savings account that has many worried. You have to prepare for your future while you are working.

I have been working for a long time. I remember the days when there were the Summer Youth Jobs call Sync. I worked and spent my check each pay. My father told me you need to open up a bank account and save your money.

So, while still going to high school, I worked at the Fly Shop downtown, a men’s clothing store

owned by Don Weston, my father had me come over to his bank, Central National, and open up my first account. Now, the great part of this was he said, “Son, whatever you put in the bank, I will match.”

So in preparation for retirement you need to practice that same principle and save. You must be smart and map out your direction. My good friend Bilal told a youth group at his church, “Use your GPS system to map out where you are going in life.” You have to understand and know wh ere you are and where you want to go.

While working in the bank, I could always hear Executive Vice President Don Graham instructing us on what we needed to do. Don is a man of great wisdom, who came fromCincinnati,Ohioand built up Fifth Third inCleveland.

A Black man, who never got his due recognition, Don helped keep a lot of us focused. I want to send a special shout to Don and say thanks for your guidance and glad you read the Call & Post every week.

But, around the bank, many lived by the T. Rowe Price rule.

This rule of thumb is a plan to replace 75 percent of your pre-retirement income. Approximately 50 percent of that income may come from investments, 20 percent or more from Social Security benefits, and the rest from other sources, such as a pension or part-time work.

Most people need to save 15 percent of their annual income, including any employer contributions, to achieve those percentages. On the other hand, your savings percentage may need to be higher if you’re getting a late start or expect to receive numerous promotions throughout your career.

Creating a spending and saving plan can give you peace of mind that you are on a well-considered path to achieving your goals.

Not everyone will be able to follow this rule, but I advise you to do the best you can. If you ask some retire people they will admit they are struggling to make ends meet. You have to prepare for more than just bills. Laughing with a co worker about moving out when you was younger, we recalled having no idea about buying toiletries and other household items. All we knew was we had to pay for the utilities. I am still laughing at being young and thinking I knew it all.

Social Security has to pay for everything once you stop working, so make sure you even have good insurance so you can be prepared for something major with your home so you can have it repaired.

Thanks to my loving mother and father for your wisdom.

I did pay attention to all your lessons.

Follow me on twitter @JimmyWadeIII

Readers can write to James W. Wade III at The Call & Post, 11800 Shaker Blvd. Cleveland, Ohio 44120 or email jwade@call-post.com . Comments and questions are welcome but, because of the volume of mail, personal responses are not always possible. Please note that comments or questions may be used in a future column.