

Retirement in your Future? Preparation is Key for an Easy Transition

One day, you will have the option of relaxing on your front porch in your rocking chair, reading your favorite book, going fishing all day, or traveling around the world with no time limitations and no worries about getting up for work tomorrow. This sounds like the perfect retirement scenario, doesn't it? But let's be realistic – *are you financially prepared for your retirement?*

Study Says Many are not Prepared for Retirement

A recent study by Aon Hewitt revealed that many of us are not prepared for retirement – especially regular employees. According to the study, employees must have at least eleven times their final working salary to meet their retirement preparation needs. Of course, the numbers drastically change if a person decides to retire earlier or later. Delaying retirement to age 67 reduces the amount to 9.4 times pay, while retiring earlier, at age 62, increases it to 13.5 times pay.

Such numbers are only applicable if an employee is a full career worker. As the study defines it, these are people who have worked for 30 years or more prior to retirement. Furthermore, the study, which examined the projected retirement levels of about 2.2 million employees at 78 large companies in the United States, suggests that most employees are expected to have around 8.8 times their pay in resources before they retire. This leaves about 2.2 times pay shortfall.

Lack of Retirement Preparation Extends to Business Owners

What about business owners? Is the amount heavier or lighter? That can depend on how much you have saved in preparation. But if you have invested your life's worth in your business, you may not have even half of what you need to retire. So what is the solution? Sell your business.

How Business Owners can Prepare for Retirement

Selling your business isn't as easy as placing a sign outside your store labeled "Business for Sale – Owner Retiring ASAP". You'll have to carefully plan how you will leave your business and retire. A successful retirement can be achieved through a well-prepared exit and transition plan.

Creating an exit and transition plan involves numerous stages and a complete assessment of your business. Any action you would take should have the approval of all your major stakeholders and other decision makers. Exit and transition planning can be a daunting task. That's why it's advisable to hire a strategic partner to help you in the process of [business transition and exit planning](#).

United Health Care Capital is committed to helping small business owners with valuations, business transition and exit plan strategy. If you are interested in learning more, [contact United HealthCare Capital](#) to see how we can assist with your business transition and exit planning.

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