

5 ESSENTIAL STRATEGIES TO HELP ENSURE

FINANCIAL SUCCESS IN RETIREMENT

How confident are you in your retirement income strategy?

Do you sleep well at night, knowing that you're on track to achieve your retirement income goals? Or, do you worry that you haven't saved enough, that you may not be able to meet your monthly income needs, or that market volatility could derail your plans?

Many Americans share concerns about their financial stability in retirement. In a recent survey, 36% of American workers expressed little to no confidence in their ability to retire comfortably,[1] while only 18% felt very confident about it.[1] Surprisingly, these figures represent an improvement compared to historical averages.

Contrary to what may appear at first glance, the number of people reporting little to no confidence in their retirement prospects has actually decreased over the past decade. Just 10 years ago, 50% of Americans lacked confidence in their retirement prospects.[1] However, despite this positive trend in retirement confidence, many Americans still harbor concerns about their financial wellbeing in retirement.

- More than half of American workers agree that the cost of health care is negatively impacting their ability to save/live in retirement.[1]
- 54% said they (and/or their spouse) have tried to calculate how much money they will need to have saved so they can live comfortably in retirement.[2]
- 65% said they feel stressed about preparing for retirement.[2]
- Three-quarters of workers (75%) say their current level of debt is a major or minor problem.[3]

Fortunately, there's always time to adjust your retirement income plan and get on track toward achieving your goals.

Here, we highlight five key strategies to help worry-proof your retirement.

1 https://greenwaldresearch.com...s-release-report.pdf

2 https://www.ebri.org/docs/default-source/rcs/2025-rcs/rcs_25-fs-3_prep.pdf

3 https://greenwaldresearch.com/wp-content/uploads/2024/12/2024-Workplace-Wellness-Survey-Short-Report.pdf

#1 Find Your Purpose

When you're in the middle of a busy, stressful career, dreaming about retirement can seem like an escape. And now, you're finally here! It's time to retire to a life of leisure, pursue your hobbies, and spend time with your loved ones. It's the time of life you've been working toward.

Unfortunately, many retirees discover that retirement is lonelier and more isolating than they expected. In fact, the transition from working to retirement can be one of the most difficult periods of many people's lives.[4]

To find happiness and fulfillment, it's important to make a deliberate plan for how you will spend your time. Consider what you want your retirement to look like and what priorities you wish to focus on.

- How will you spend your days?
- What will make you excited to get out of bed each morning?
- Who will you spend time with?
- What new activities and interests do you wish to pursue?
- What non-profit organizations will you support with your time and/or money?
- How can you meet new friends who are also retired and share common interests?
- How much will it cost to live your desired lifestyle in retirement?

Approaching your retirement with a sense of purpose can help set you up for success, both personally and financially.

4 https://ihpi.umich.edu/news-events/news/loneliness-and-isolation-back-pre-pandemic-levels-still-high-older-adults

#2 Establish a Retirement Income Strategy

Now that you have an idea of what you'd like your retirement to look like, how will you ensure you have enough income to reach those goals? Remember that your retirement savings may need to last 30 years or more. Now's the time to establish a retirement income strategy to help ensure you don't outlive your income.

- Start with a budget. Using the priorities you established in Step #1 as a guide, make a list of all your anticipated monthly expenses and compare that with your various sources of retirement income. Will you have enough income coming in to cover your anticipated expenses? Sticking to a budget can help ensure you don't withdraw more than you can afford from your retirement accounts.
- Understand your Social Security options. It's important to file for Social Security benefits at the right time, for the right amount.
- Consider tax-free income sources. Roth IRAs* and life insurance** can both help minimize your tax exposure in retirement.
- Maximize your guaranteed income. Fixed and fixed indexed annuities can provide predictable lifetime income you can't outlive.***

Annuities are products of the insurance industry; guarantees are backed by the claims-paying ability of the issuing company. Guaranteed lifetime income available through annuitization or the purchase of an optional lifetime income rider, a benefit for which an annual premium is charged.

* Roth IRA distributions are tax free after age 59-1/2 and the account has been open for at least five years.

** Tax free income from permanent life insurance is via policy loans and withdrawals which will reduce available cash values and death benefits and may cause the policy to lapse or affect any guarantees against lapse. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. Tax laws are subject to change. You should consult a tax professional. Life insurance involves medical and often financial underwriting to qualify, and entails fees, charges and surrender penalties

*** Annuities contain limitations including withdrawal charges, fees and a market value adjustment which may affect contract values. Annuity withdrawals are subject to ordinary incomes taxes, including a potential 10% IRS penalty for withdrawals before age 59-1/2. Annuities are long term retirement income vehicles and are not suitable for everyone.

#3 Prepare for Market Volatility

Could your investment portfolio weather a 20% to 30% drop? What happens if you need to sell your investments at a loss to pay for your retirement living expenses? It can be difficult, and sometimes impossible to recover from a market dip if you're forced to realize losses.

That's why it's valuable to have a strategy in place to help protect a portion your portfolio in any market environment. Some strategies to consider include:

- Adjust your investment allocation to match your current risk tolerance. Many people become more conservative as they get older. If you haven't adjusted your investment allocation in a while, you may have more risk exposure than you're comfortable with.
- Streamline your retirement income strategy. Do you have multiple retirement accounts, such as 401(k)s and IRAs? Do you have multiple investment accounts? If so, your investments may overlap more than you realize. It may make sense to consolidate your accounts and develop a custom investment allocation and risk strategy to help ensure all of your investments are working together to achieve your goals.
- Consider a risk management tool. Fixed annuities offer you a way to protect a portion of your retirement assets from market losses. A fixed indexed annuity has the potential to grow without being invested in the market, which can help reduce your exposure to market volatility. A qualified financial professional can help you determine if a fixed or fixed indexed annuity may be right for you.

#4 Ask Yourself Difficult Questions

One of the most important steps in planning for retirement is being honest with yourself about your level of preparedness. If you retire before you're ready, you could set yourself up for serious financial struggles, especially in the later years of retirement.

Before you retire, ask yourself the following questions and be honest with your answers.

- "Am I prepared to establish and stick to a retirement budget?" Once you're retired, you will no longer have employment income to support your living expenses. It's important to set a realistic budget and commit to sticking to it.
- "Do I have a retirement income plan in place?" Are you prepared to pay yourself a monthly income to cover your expenses? When you combine your Social Security income, defined benefit plan payments, retirement account distributions, and any other sources of income, will you have enough to pay your monthly expenses?
- "How will I bridge any income gaps?" If you don't have enough to cover your monthly expenses, what is your plan? Will you find a part-time job after you retire? Delay taking Social Security? Continue working for a few more years?
- "What's my plan for health care and long-term care expenses?" These are often two of the largest expenses faced by many retirees. Do you have a strategy to cover the costs? If not, now's the time to develop one.

Don't be afraid to confront the truth about your retirement income strategy.

Then, contact me for help with identifying gaps and implementing strategies to help overcome them.

#5 Develop a Strategy

You only have one chance to retire. It's vital you take the necessary steps today to plan for a more reliable future.

- Identify and clearly articulate your goals so you know what you're working toward. What do you want your retirement to look like? What are your priorities? Who do you want to spend time with? What activities do you wish to pursue?
- Develop a strategy to help you achieve your retirement income goals. Your roadmap should include strategies to help guide decisions related to:
  - Spending.
  - Income, including guaranteed and non-guaranteed income sources.
  - Investing.
  - Social Security benefits.
  - Tax minimization.
  - Health care and long-term care costs.
  - Any specific goals you have for the future.
- Regularly review and adjust your strategy. Your retirement could last decades. It's important to regularly review and update your retirement planning strategy to help ensure it continues to meet the needs of your ever-evolving life.

Could you use some help taking the worry out of your retirement?

Schedule a call to learn more about how I can work with you to help develop a custom retirement strategy to help meet your needs and achieve your goals.

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