

# **EIGHT OBSTACLES TO RETIREMENT**



**THE PATH TO THE KIND OF RETIREMENT YOU'VE DREAMED ABOUT MAY NOT BE WELL-MARKED AND NEATLY GROOMED. IT MIGHT BE RIDDLED WITH TRAPS, ROUGH PATCHES, AND OBSTACLES. IT'S LIKELY THAT WHEN YOU RETIRE, YOU'LL HAVE PUT IN ANYWHERE FROM 40 TO 50 YEARS OF WORK, SO DON'T LET YOUR DEDICATION AND SUCCESS BE SUBJECT TO A FINANCIAL SURPRISE.**

**HERE ARE SOME OF THE THINGS YOU SHOULD CONSIDER WHEN WORKING ON YOUR RETIREMENT STRATEGY.**

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## **1 INCOME**

While Social Security may be a part of your retirement strategy, it's not a be-all and end-all. In fact, Social Security will replace just 38% of past earnings for a person who retires at 65 after working their entire adult life.<sup>1</sup> It's vital to devise a strategy that covers all of your monthly bills. Does your strategy take steps to address the other 62% of income?

## **2 LIFE EXPECTANCY**

Turning 65 is a critical year when it comes to planning your financial future. Once you've reached 65, you're likely to live until about age 86½ if you're a woman and 84 if you're a man.<sup>2</sup> While our ever-increasing life expectancy will give you more time to travel and do all of the things you've long dreamed about, it may also require plenty of cash.

Does your retirement strategy provide the funds to maintain your lifestyle for two more decades? If a medical condition changes your lifestyle, will your finances be able to adapt?



## 3 TAXES

The IRS doesn't stop knocking when you retire, but there are ways to minimize how much you pay. With the right strategy, retirees may be able to put themselves into a tax bracket that significantly reduces their tax burden, regardless of income.<sup>3</sup>



## 4 MARKET DOWNTURNS

Market downturns are inevitable, but you can weather them with a strong retirement strategy. Devising a strategy that factors in market downturns may help leave you with enough money to cover your expenses and increase your financial peace of mind.

## 5 RISING INFLATION

Like taxes, inflation doesn't go away when you retire. If you aren't careful, inflation can pick your pocket a little more each year. And remember, core inflation doesn't even factor in the food on your table or the gas in your car.<sup>4</sup> It's vital that your strategy includes money that can grow in a way that keeps up with inflation.

## 6 MEDICARE

You may not realize that you have several options when it comes to Medicare. All of these choices affect your level of coverage and your out-of-pocket expenses ... which can have a significant impact on your retirement! It's important to consider both your cash flow and your healthcare needs when you consider your options.

## 7 LONG-TERM CARE

Millions of retirees will require long-term medical care at some point, yet contrary to popular belief, Medicare will not cover all of your long-term care expenses. In some cases, it may cover far less than you think.<sup>5</sup> Yet, with an appropriate strategy, you may be able to keep many of your assets and have long-term care coverage.

## 8 LOSING YOUR SPOUSE

One of the most difficult topics to discuss when designing your retirement strategy is the near certainty that one spouse will outlive the other, sometimes by several years. In addition to the immense emotional ramifications of such a loss, there can be significant financial implications. A solid retirement strategy includes an action plan that will ensure a surviving spouse retains their standard of living.

### YOU DON'T HAVE TO DO IT ALONE

These factors and scenarios can seem a little overwhelming. Where do you start? Who do you turn to with questions? The good news is you aren't alone. We have experience in helping our clients devise retirement strategies that meet their needs. We're passionate about our work and we're committed to the people we serve.



**REACH OUT TO US TODAY SO WE CAN  
HELP YOU ACHIEVE THE KIND OF  
RETIREMENT YOU'VE WORKED  
SO HARD FOR.**



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1. <https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security>
2. <https://www.ssa.gov/planners/lifeexpectancy.html>
3. <https://www.investopedia.com/ask/answers/013015/how-can-i-avoid-paying-taxes-my-social-security-income.asp>
4. <https://www.investopedia.com/terms/c/coreinflation.asp>
5. <https://www.medicare.gov/coverage/long-term-care>

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