Steps to Making Your Retirement Last

Anthony T. Newman,
President & CEO
Lifeguard Financial

The prospect of outliving the assets in a retirement portfolio is a concern for many retirees and pre-retirees. You may be facing a fixed retirement date that has been chosen for you rather than a date you can control.

Today, retirees are living longer and are finding it challenging to grow their portfolios in today's challenging markets. Volatile investments, low fixed rates, and uncertainties about taxes have a huge impact on the investment decisions of today's seniors.

Some investors think that making monthly withdrawals from their nest egg is the best and only way to provide income during retirement. But this strategy comes with serious and sometimes unforeseen financial consequences. To avoid this, you must design a reliable way to receive income.

As you approach your prospective retirement date, it's certainly best to develop an efficient plan long before the date arrives. However, it's not too late for those who have already begun retirement to take advantage of some of these strategies:

Start with having funds available in a safe and liquid vehicle. Having too much on hand means your money is not working hard enough for you. To help create a viable income stream, excess funds beyond what you may need for everyday expenses and emergencies should be placed in tax-efficient investments such as tax-free bonds or the right annuities.

Be cautious when looking to generate income from long-term bond funds. Advisors warn against this because when interest rates rise, prices fall and the principal amount suffers a loss. Last month The Wall Street Journal stated that "so-called safe assets are paradoxically not safe right now."

Inflation

Historically, inflation has increased at a rate of around 3.2% per year. However, in light of today's tumultuous political landscape, a sudden and significant increase in inflation is entirely possible. Ignoring this possibility could have a severe impact on both your

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income and investment portfolio in the years ahead. Diversifying your portfolio that includes multiple types of investments is a good way to combat inflation and help protect your assets against an unexpected increase.

Know Your Expenses

The easiest way to track expenses is to simply write down what you spend monthly on things like health care, insurances, mortgages, transportation, taxes, utilities, food, etc. Try to include absolutely everything and then factor in a little more to this amount for the unexpected.

The next step is to calculate your total monthly income including anything you receive from social security, pension(s), dividends, IRA required minimum distributions, etc.

Once you subtract the total amount of projected expenses from the total amount of income, check to see if a deficit would be created in the event that a spouse would pass away and the income they are receiving is lost. If so, it is imperative that you prepare by establishing a longevity income plan now for the surviving spouse.

In closing, only you can control your spending, but Lifeguard Financial can help you reduce fees, control the amount of risk your investments are exposed to, and show you any available ways to lower taxes. When those four factors are under control, you don’t have to earn as much on your investments to experience growth in your portfolio. The key is to carve out a portion of your money and designate it for longevity retirement income for you and your spouse.

If you need assistance, please contact Lifeguard Financial today at 1-800-942-1936 to schedule a free, no-obligation consultation.