

Game 163: Tips to survive your retirement playoff game

The 2018 Major League Baseball regular season lasted one more day than some preceding seasons. 162 games had left four teams deadlocked – two teams in one division, and two teams in another. The teams from each division would play one final game against each other to see who would win their division and who would move onto the playoffs as a wild card. There was still work to be done, and each of these teams had to plan to win in Game 163.

Sometimes in retirement it feels like you have spent an entire season's worth of work only to have work left to do before you can retire. In fact, what you do the last year of your working life can impact everything that follows. Today we are going to talk about some tips that *U.S. News and World Report* put together for that last part of your work season. Let's call the last year of working *your* Game 163.

The article by Jeff Brown was published in October 2018 and is entitled, "[5 Tips for Investors Nearing Retirement](#)." Brown breaks down these tips into five categories: Investments; Debt and Homes; Expenses; and Taxes and Lifestyle.

Let's start with *lifestyle*. Many of us have an idea of what retirement is going to look like for us. Where we will live and what we will do. It can be helpful to create a plan or outline of some of the things you might want to consider, everything from your living situation to simple things like household chores as you age. Preparing for these big and small lifestyle questions can help you before you get to the playoffs, or in your case, retirement.

Next, let's talk about *investments* in the last year of your working life. Brown writes that some experts encourage their clients to adjust their investments to provide more income. One way to achieve this is to include more assets like bonds or dividend-paying stocks. At Strategic Wealth encourage each of our clients to utilize the Color of Money Risk Analysis and report, to help ensure that their current investments match their risk tolerance. This simple-to-use online report can provide helpful guidance for both the client and our financial service professional. We also recommend going through the Color of Money Risk Analysis and report on a yearly basis to adjust to potential market changes.

That brings us to one of the issues that many clients face in retirement: taxes. Withdrawals from retirement savings accounts and the types of those accounts can have tax implications.

Some things you should take to heart in the months, and even years, leading up to retirement are how long you expect to live, what kind of investment returns you expect to have, and what tax bracket you fall into. These considerations could help you decide how you may want to potentially make changes to some of your retirement accounts or when you'll start claiming Social Security benefits, and that may not be something you want to figure out at your retirement party.

With so many potential options available and so many variables as part of the equation, meeting with your financial services professional in advance of even your last year of work can be valuable. You may be able to put things in place that can help you minimize taxes in the future.

Another area to examine before retirement is your budget. This not only includes the expected monthly costs like utilities, entertainment, internet and more, but also any potential unforeseen costs such as medical bills, home repairs and car repairs — that list certainly goes on. Looking back at the average amount you've spent on those categories can give you an idea of what you might be encountering in the future. Also, keep inflation in mind — prices will rise. A financial services professional can provide you with details of the average year-over-year rate of inflation by category.

Finally, we come to debts and homes. Many Americans struggle with debt, whether unsecured debt like credit cards or secured debt such as car loans or home mortgages. According to the 2016 Federal Reserve's [Survey of Consumer Finances](#), the average American aged 55 to 64 carries over 108,000 dollars in debt.

Some financial services professionals may encourage investors to eliminate as much debt as possible before retirement because large fixed costs can impact retirement, as they may be harder to eliminate than some others. Set aside time to work with your financial services professional to determine what path to reducing your debt works for you.

Just like Game 163 in baseball, you may have things left to do before retirement. Don't wait until it's too late. Make an appointment today to analyze your risk tolerance and examine these five potential steps to take before you officially retire. The season isn't quite over, but the playoffs are just around the corner.

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