

4 CHALLENGES DURING RETIREMENT



01 Market Volatility



Stocks have lost at least **10%** approximately **54 times** since **1928**.¹

Navigating through market volatility as a retiree can be scary but don't act in a panic.²

Instead:

- Know how much income you have
- Know your stock-to-bond ratio
- Invest for the long term
- Minimize fees
- Reduce your taxes
- Talk to your financial advisor

¹ <https://www.yardeni.com/pub/sp500corrbeartables.pdf>
² <https://www.kiplinger.com/article/retirement/047-c032-s014-5-tips-for-retirees-worried-about-stock-volatility.html>

Market volatility is based on historical performance of Dow Jones Industrial Average. The Dow Jones Industrial Average is an unmanaged group of securities demonstrating how 30 large publicly owned companies have traded and cannot be invested into directly.

02 Spending Behaviors

3 Stages of Spending in Retirement



Early (Age 60-74)

Sample Early Retirement Costs:

- Two Week Vacation to Europe – **\$3,960/person**³
- One Week Vacation to Hawaii – **\$3,365/person**⁴
- National Average Monthly Mortgage Payment – **\$1,159**⁵



Mid (Age 75-84)

Sample Mid Retirement Costs:

- Gifts to Family – **\$15,000/year**⁶
- Country Club Membership – **\$6,240/year**⁷



Late (Age 85+)

Sample Late Retirement Costs:

- Average Medical Costs – **\$295,000/year**⁸
- Nursing Home Care – **\$280/day**⁹

³ <https://www.moneywehave.com/how-much-does-it-cost-to-go-to-europe/>
⁴ <https://www.moneywehave.com/how-much-does-it-cost-to-go-to-hawaii/>
⁵ <https://www.forbes.com/sites/brendarichardson/2020/04/07/states-with-the-highest-and-lowest-monthly-mortgage-costs/#5cbcd1895a48>
⁶ <https://www.forbes.com/sites/ashleaabeling/2019/11/06/irs-announces-higher-estate-and-gift-tax-limits-for-2020/#7415d1062efb>
⁷ <https://www.wikihow.com/Join-a-Country-Club>
⁸ <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>
⁹ <https://pro.genworth.com/riiproweb/productinfo/pdf/131168.pdf>

03 Taxes & Inflation

5 Ways to Reduce Taxes



Use tax-advantaged accounts



Choose tax-efficient investments



Consider working with a financial advisor to assist with alternative investments*



Insurance and annuities



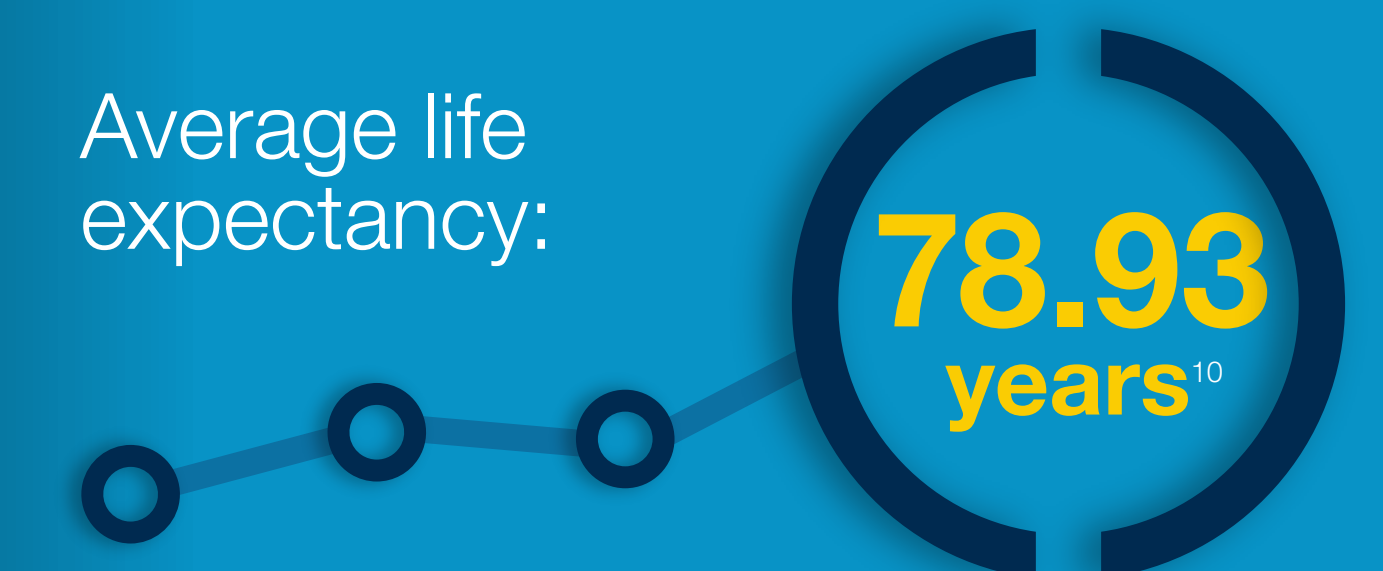
Move to a tax-friendly state

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified advisor.

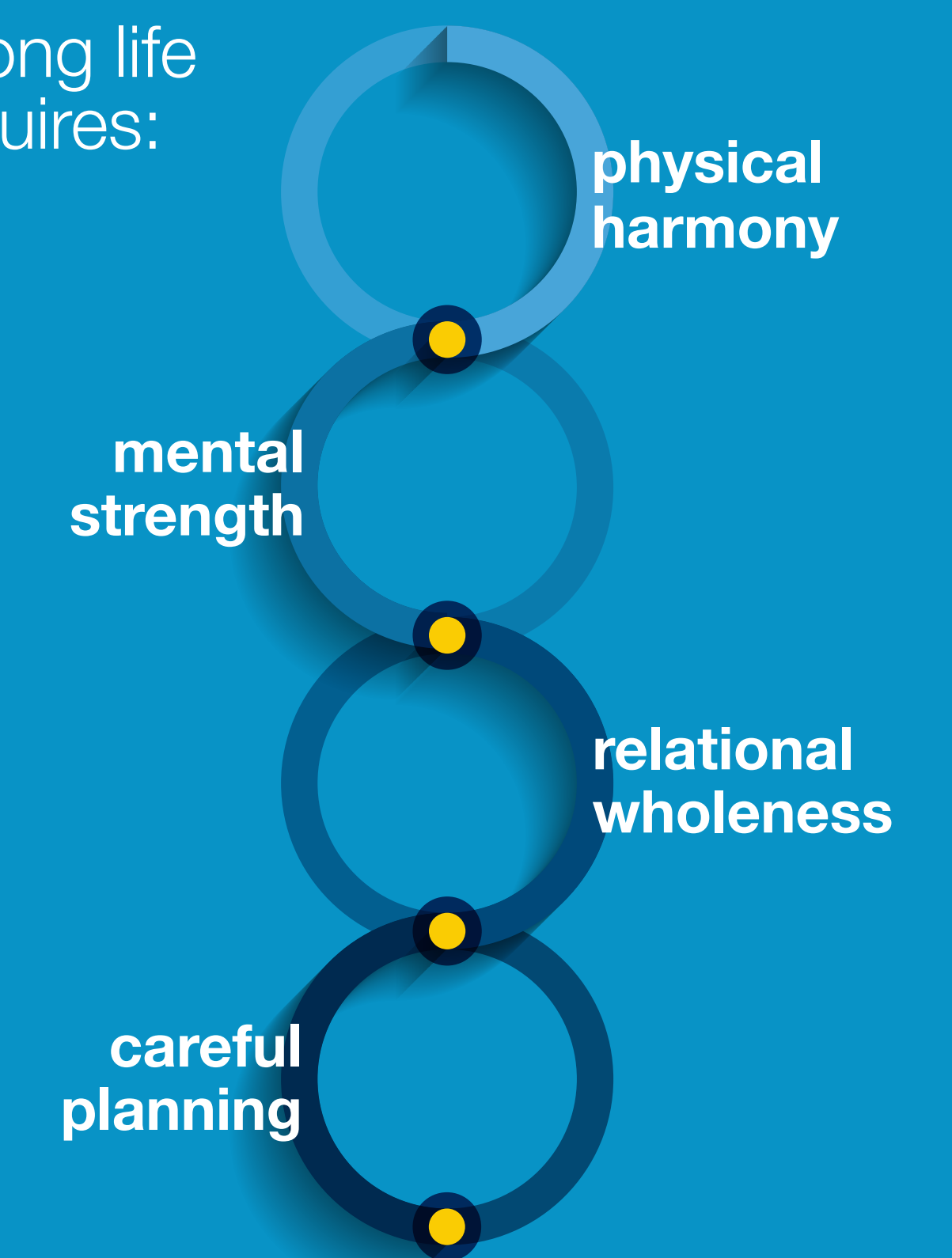
*Alternative strategies may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio.

04 Longevity

Average life expectancy:



A long life requires:



¹⁰ <https://www.macrotrends.net/countries/USA/united-states/life-expectancy>





