

Retirement Years Have Changing Phases

People often expect retirement to be about 20 years. But the average retirement may last much longer. Half of those currently aged 65 will live to be older than 83 years, according to the National Center for Health Statistics. In fact the latest U.S. Census found that the fastest-growing segment of our senior population (those at least 65 years old) is the 85 years and older group. What effect does this have on your retirement income?

Living longer means making your retirement income last longer. But our interests and capabilities change during our retirement years. These, in turn, prompt different expense choices.

Although each of us is different, we should view retirement as a progression of phases, such as early, middle, and late. This involves taking a fresh look at retiree expenses and income, as well as withdrawal and estate planning strategies. We must build flexibility into planning our retirement years.

Because we are living longer, we are more ambitious as we move into and through our 55 to 74 years. The desire to remain active means many people are continuing to work part time or starting new businesses in retirement. Many do not want to retire completely, but reinvent themselves through a mixture of work and leisure. This often means earning income by working part-time in something we enjoy.

In fact during our 55 to 64 phase, we should be transitioning from our main job into what we want to spend time doing. This will help maintain earned income that puts off using typical retirement income until later. Withdrawals need not be as high as originally thought.

Through the 64 to 74 phase, we can blend our part-time working income and our retirement income.

In the last phase, our capabilities and ambitions tend to wane. We truly retire from working. But our expenses go down considerably, so our retirement income can more easily service our needs and longevity.

Give us a call or fill out the card so we can help you create the retirement income you need based on the historical trend of expenses in retirement.