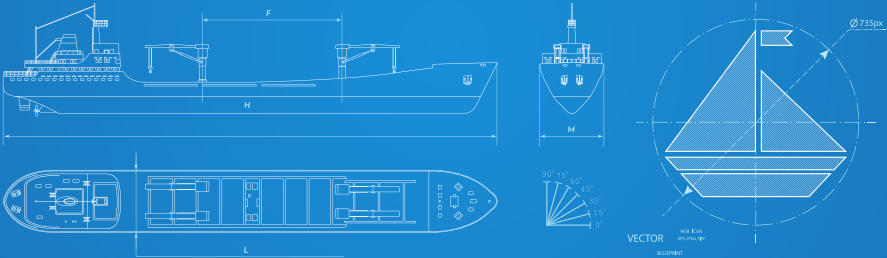




RETIRE HAPPY

A Simple Guide to Your Next Big Adventure



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Heritage Wealth Management Disclosure

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HAPPINESS:

Define What it Means for You

What is Retirement to You?

What is the purpose of retirement? Is it really about simply ceasing to work? Or is it perhaps a gateway to a new season of contribution, purpose, and enjoyment of your life?

Happiness in retirement can have many definitions. For some, it may look like freedom to travel and begin new adventures. For others, a happy retirement may mean starting a new business, picking up a hobby, volunteering, or spending more time with loved ones. Collectively, American retirees will enjoy 126 billion hours of leisure this year.¹ No matter how you plan to fill your hours, proper preparation is essential.

The Good Ship Happiness

Imagine you are preparing to embark on a long voyage. How would you begin? You might start by picking a date when you plan to depart. Once you know when you plan to set sail, you might start thinking about what sort of vessel

you plan to sail in, and what route to take. Will it be a simple, quiet canoe, paddling along a gentle lake? Or a jaunty, sea-faring trawler stocked with fine champagne? Before leaving on a journey of indefinite duration, what else might you do to prepare? You might pack safety gear, stowing a lifeboat away in case of foul weather. Surely you would want to have a map of the territory.

This ebook is intended to help you prepare for your retirement voyage. Here, you will find a high-level overview of some key considerations to help you get ready. We will talk about your goals, and go over some potential sources of income that could fund your voyage. We will talk about some of the costs—and the risks—you might face along the way.



Did you know that 93% of Americans claim that they are looking forward to retirement?²

While 31% of workers report that they feel mentally or emotionally stressed about preparing for retirement, 92% of retirees say that retirement has given them the freedom and flexibility to pursue their interests, regardless of net worth.^{3,4} Although preparing for retirement takes focus and discipline, there is an awful lot to stay positive about. Anchors aweigh!

1. Age Wave Merrill Lynch, "Leisure in Retirement: Beyond the Bucket List," 2016
2. Franklin Templeton Investments, 2015
3. Retirement Confidence Survey, EBRI, 2017
4. Age Wave Merrill Lynch, "Leisure in Retirement: Beyond the Bucket List," 2016

GOALS:

Clarify What “Happy” Means to You

Goals for the Golden

Retirement years have been called “golden,” a time to rest from the rigors of work, to take it easy or spend time with loved ones. But as expectations for those years evolve, attitudes toward retirement are shifting, and it’s not necessarily about riding off into the sunset anymore. Today, more than half of workers plan to work for pay during their retirement, and not entirely out of necessity.¹ In fact, nearly a fifth of working Americans say that they would postpone retirement because they enjoy working.²



According to a 2015 report from International Living Magazine, Ecuador tops the list of places to retire abroad. Panama ranks second, followed by Mexico, Malaysia, and Costa Rica.³

The baby boomer generation is seen as especially instrumental in reshaping the landscape of retirement. Rather than adhering to outdated conventions, many boomers view life post-career as a time of new beginnings, during which they plan to actively pursue an array of personal goals.⁴

In the end, your goals will define what your “happy” looks like. Below are some goal-related questions to consider. Use them to prompt your own reflection—jotting your answers down can be especially helpful—and bring your thoughts to our next conversation. This foundation work will put you ahead as we craft your retirement strategy together.

“

It isn't what you have, or who you are, or where you are, or what you are doing that makes you happy or unhappy. It is what you think about.

*Dale Carnegie, writer and lecturer*⁵

Your Ideal Retirement Scenario



As you answer the questions below, try to envision your absolute ideal scenario. Answer each question from a “perfect world” perspective, no holding back. Don't worry, we will get into realities later. This is your chance to dream big!

- How will you spend your time during retirement? Describe your average day.

- What new roles do you plan to take on (student, grandparent, mentor, business owner, volunteer, avid golfer)?
- What activities would you like to engage in during retirement?
- What new and existing expenditures do you foresee that you will need to pay for?
- What sources of income do you envision living off of?
- How long do you expect your retirement to last?
- What are your financial goals (buying a home, leaving a legacy, paying for college)?
- What is your tolerance for risk in investing?
- The world is your oyster. Where would you like to live?
- When is your ideal retirement date?
- What are your primary investment objectives (growth, income, capital preservation, tax management)?⁶
- What is your retirement purpose? Why do you plan to retire?

Hopefully, thinking through this list of questions has gotten you a little starry-eyed. Envisioning your future is an important first step, and at this point, aiming high is a good thing. Knowing your ideal scenario can help you stay motivated when obstacles arise.

In the coming sections, we will turn from dreaming to scheming. We will take a look at costs, funds, and risks to consider as you put together a retirement strategy that suits your goals.

1. Employee Benefit Research Institute, 2015
2. Franklin Templeton Investments, 2015
3. International Living, January 1, 2015
4. Financial Planning, 2016
5. Brainyquote.com
6. Investopedia, Determine Your Retirement Objectives and Goals, 2017

COSTS:

Know What Your Journey Will Require

Now that you have done some quality thinking about what sort of retirement you envision for yourself, your next step is to consider how much it may be expected to cost. Among Americans who have attempted to calculate their retirement costs, 64% estimate that they will need \$500,000 or more. That includes 37% of workers who believe they will need \$1,000,000 or more to retire comfortably.¹

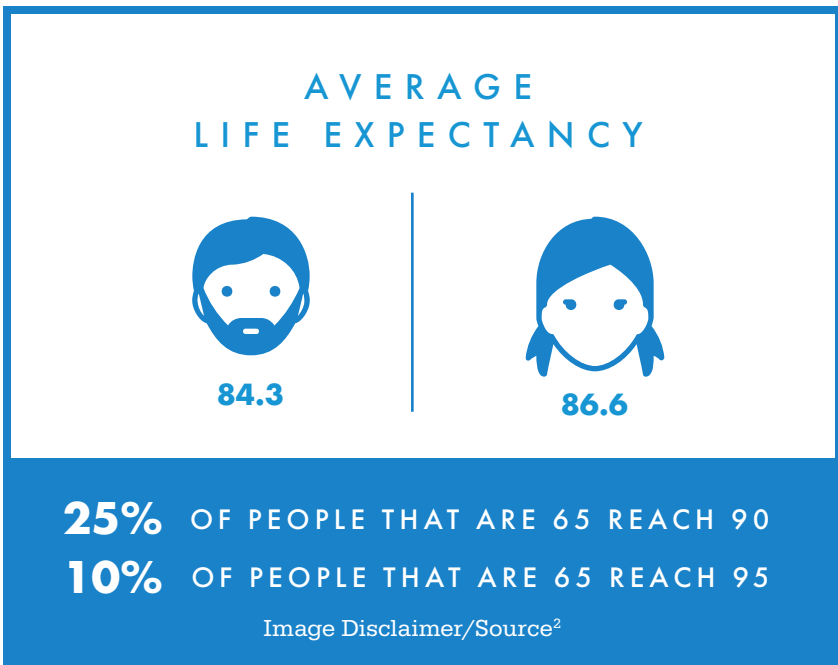
So, how much will you need?

Spending & Life Expectancy

The answer largely depends on two main factors: how long you expect to live, and how much you want to spend during retirement. While some are skilled at understanding spending, they may be less knowledgeable about how long they are expected to live. A landmark study found that 40% of adults underestimate the average life expectancy by about five years. Put another way, most adults think they are going to die younger than the statistics indicate.

The average person's life expectancy at age 65 is 84.3 for men and 86.6 for women. And 25% of people who reach age 65 will live to age 90. A full 10% will live to age 95.²

It is also important to be realistic about spending. You might not factor in occasional expenses like pet care, yard maintenance, and visits to salons or spas. But if you enjoy those services now, you may want them during retirement, and you might find that you underestimated the real cost of maintaining your lifestyle. Gifts to children and grandchildren—as well as financial help for dependents—may represent another expenditure during retirement years. All of these “basic needs” should be accounted for in advance.



Health Care Costs

Understanding the potential costs of healthcare is another step toward a happy retirement. According to a HealthView Services study using more than 50 million actual cases, a healthy married couple, age 65, can expect these healthcare expenses to add up to \$267,000 over their lifetime. If you

add dental, vision, co-pays, and out-of-pocket costs, the total rises to \$395,000.³ The cost of health care for a 65-year-old couple is projected to more than double by age 85.⁴

Another factor is extended care, which is projected to be needed at some point by seven out of 10 individuals turning age 65.⁵ Extended care programs, which are generally not covered by Medicare, can be expensive. Assisted living facilities, on average, costs \$3,600 per month, while nursing home care costs an average of \$220 per day for a semi-private room.⁶



While 58% of retirees placed “financial security” at the top of the list for a happy retirement, 81% placed “good health” in the top spot.⁷

Medicare beneficiaries spent an average of \$4,734 out-of-pocket on health care in 2010, the most recent year for which figures are available. 42% percent of that went to premiums, and 20% to extended care facilities.⁸

Another thing to remember: if you plan to retire before age 65, you may assume responsibility for your own healthcare costs upon your retirement. Make sure to factor that into your projections.

Estate Strategy



A wise estate strategy is all about preparation—and paperwork. Before setting sail for retirement, you may want to consider having pertinent healthcare documents, financial documents, beneficiary forms and life insurance in place.⁹ If you and your spouse have more than \$5.45 million in assets (for 2016), you may want to consider taking steps to manage federal estate tax, which will be due at the second spouse's death. It's important to be intentional when preparing an estate strategy that suits your needs.

A will is a key estate strategy document that enables you to specify whom you wish to inherit your property and other assets. A living trust is another element of estate preparation to consider. Here is a tip: one major difference between a will and a living trust is when they take effect. A will takes effect when you die; a living trust takes effect when you execute it, and begins to operate when you transfer assets to it.^{10,11}

Creating an estate strategy is complex and should be done with the assistance of a tax or legal professional. Periodic changes in the laws governing estate strategy are a good reason to revisit your existing approach to estate management.

Leaving a Legacy



Another potential cost to consider would be the type of legacy you wish to leave when your journey is complete. A legacy can come in many stripes. It can be financial, institutional, instructional, or wish-fulfillment in nature. Or it may simply consist of the passing on of values and life lessons. A

financial legacy requires a clear blueprint and the persistent pursuit of your objective.

“

Happy people plan actions, they don't plan results.

*Dennis Waitley, speaker, writer, and consultant*¹²

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1. Retirement Confidence Survey, EBRI, 2017
 2. Social Security Administration, 2016; Society of Actuaries, 2012. (The most current information available.)
 3. CNBC, March 27, 2015
 4. CNBC, March 27, 2015
 5. U.S. Department of Health & Human Services, 2016.
 6. Genworth Cost of Care Survey: 2015
 7. Age Wave/Merrill Lynch, “Health & Retirement: Planning for the Great Unknown,” 2014
 8. Medicareresources.org, October 24, 2015
 9. Several factors will affect the cost and availability of life insurance, including age, health and the type and amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges. If a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are

insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

10. Using a trust involves a complex set of tax rules and regulations. Before moving forward with a trust, consider working with a professional who is familiar with the rules and regulations.

11. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation.

12. [Brainyquote.com](https://www.brainyquote.com)

FUNDS:

Plan How You Will Finance the Journey

You have put significant thought into what your ideal retirement will look like. You have taken a look at some of the costs you are expected to incur. Now, it is time to consider how you are going to pay for it. Like the rest of life, retirement doesn't come with guarantees. But thoughtful asset allocation, Social Security awareness, and a sound investment strategy can give you a head start in pursuing a truly happy retirement.

“

You can retire from a job, but don't ever retire from making extremely meaningful contributions in life.

*Stephen Covey, educator, author, and businessman*¹

Sources of Funding

Changes in employment may affect retirement plans. As the baby boomer generation ages, there is a potential that Social Security benefits may decrease—or the age at which an individual can collect benefits may increase. As a result,

savings and investments may become even more important. Let's review some of the most common sources of funding for retirement.



Every day for the next 20 years, another 8,000 baby boomers will turn 65. That is roughly one person every 10 seconds.²

Defined-Contribution Plans

Well over one-third of workers are eligible to participate in a defined-contribution plan such as a 401(k), 403(b), or 457 plan.³ Eligible workers can set aside a portion of their pre-tax income into an account, which then accumulates tax deferred. It is wise to take advantage, particularly if your employer offers contribution matching.

Distributions from defined contribution plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Once you reach age 70½, you generally must begin taking required minimum distributions.

Individual Retirement Accounts

A traditional IRA or Roth IRA may be another choice worth exploring. Traditional IRAs have been around since 1974. Contributions you make to a traditional IRA may be fully or partially deductible, depending on your individual circumstances.

Roth IRAs were created in 1997. Roth IRA contributions cannot be made by taxpayers with high incomes.⁴ To qualify for the tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a five-year holding requirement and occur after age 59½.

Personal Savings and Investments

One survey found that 66% of today's workers expect their personal savings and investments outside their IRAs and employer-sponsored retirement plans to be a source of retirement funds. The same survey found that only 44% of current retirees report personal savings and investments are a source of funds.⁵ It is important to create a savings and investment strategy that works for you.

Defined Benefit Plans

Defined benefit, or "DB" plans, are traditional pensions: employer-sponsored plans under which benefits, rather than contributions, are defined. Benefits are normally based on factors such as salary history and duration of employment. Use of DB plans has dropped dramatically in recent decades, from 28% in 1979 to 2% in 2013.⁶

“

The happiest people in the world are those who feel absolutely terrific about themselves, and this is the natural outgrowth of accepting total responsibility for every part of their life.

*Brian Tracy, speaker and author*¹

Continued Employment

In a recent survey, 67% of workers stated that they planned to keep working in retirement. In contrast, only 25% of retirees reported that continued employment was a major or minor source of retirement income.⁷ Ideally, this is a matter of preference, not necessity.

To estimate how much each of these income sources may potentially provide, take a look at your most recent statements. With these numbers in hand, estimating any shortfall you may have is a matter of subtraction. Subtract the income you anticipate from the amount you think you will need in order to maintain your definition of “happy” in retirement. That will give you a ballpark number to bear in mind as you create a strategy.

Social Security



Social Security is the government-administered retirement income program. It can be complicated, and as a result, many individuals don't have a full understanding of their options. Here are four facts that can help you choose the approach that is best for you.

1. Social Security is a critical source of retirement income.

Some have the perception that Social Security is of secondary or even tertiary importance in retirement. But according to a report by the Social Security Administration, Social Security replaces about 40% of an average wage earner's income after retiring.⁸

2. You have choices about when you take Social Security.

You have considerable flexibility in when you can begin drawing benefits. You may begin receiving them as early as age 62, though your benefits will be reduced at a rate of about 0.5% for each month you take them before your full retirement age.⁹ To maximize your benefits, you may delay receiving them until after attaining your full retirement age, when they are scheduled to increase by 8% annually.¹⁰

3. Social Security may be taxable.

Depending on your income level, your Social Security benefits may be subject to taxation. This may have substantial implications for whether you choose to work in retirement, how your assets are invested, and the timing of withdrawals from other retirement accounts.



Ernest Ackerman was the first person to receive a Social Security benefit. In March 1937, the Cleveland streetcar motorman received a one-time, lump-sum payment of 17¢.¹¹

4. Social Security can be a family benefit.

When you start receiving Social Security, other family members may also be eligible for payments. A spouse (even if he or she did not have earned income) qualifies for benefits if he or she is age 62 or older, or at any age if he or she is caring for your child. (The child must be younger than 16 or

disabled). If you pass away, your survivors receive a percentage of your basic Social Security benefit—usually in the range of 75% to 100% for each member.¹¹

Funding Strategy



For many, having a consistent source of lifetime income to cover the cost of living in retirement is highly important. But, if you are like most Americans, the amount you can save for retirement is not unlimited. You may want to make sure that your savings are directed to the highest priority retirement funding choices first. For many, that hierarchy begins with the 401(k), is followed by an IRA and, after that, put toward taxable savings.

You will then want to consider how to invest each of these savings pools. One strategy is to simply mirror your desired asset allocation in all retirement accounts.¹² Another approach is to put the income-generating portion of the allocation, such as bonds, into tax-deferred accounts, while using taxable accounts to invest in assets whose gains come from capital appreciation, like stocks.¹³

“

The foolish man seeks happiness in the distance, the wise grows it under his feet.

*James Oppenheim, poet and novelist*¹

While diversification matters to a retirement funding strategy, your focus after retirement may shift to the best

approach for drawing income from your accounts.¹⁴ Determining a withdrawal strategy that best fits your circumstances is paramount, as you adjust from years of contributing to these accounts, to years of living off of them. You should consider choosing an appropriate withdrawal amount, which accounts to withdraw from and when, and what to modify as time passes. We can help you evaluate your choices.

Asset Allocation

At any time, allocating your assets among investment choices is a good strategy to consider. But as you approach retirement, asset allocation takes on an even higher sense of urgency (asset allocation is an approach to help manage investment risk—it does not guarantee against investment loss).

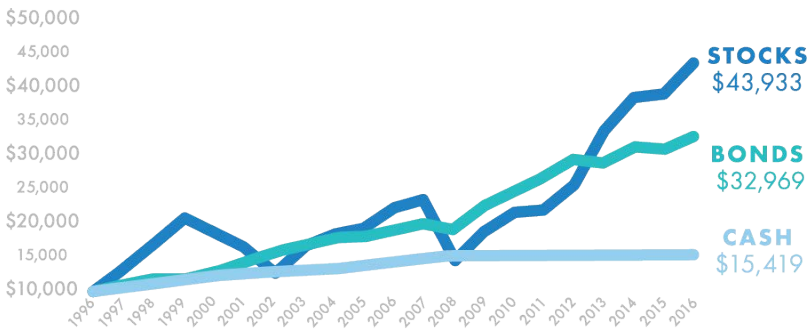


Image Disclaimer/Source^{15,16}

Let's take a closer look at the long-term performance of three major asset classes: cash alternatives, bonds, and stocks. As the illustration shows, stocks were the best performing asset class over the 20-year period. However, stock prices were volatile over that period of time, which may not appeal to investors with a lower risk tolerance.

Cash alternatives showed a steady return over the 20 years, but underperformed the other two asset classes. Conservative investors who kept all their assets in cash alternatives didn't experience the market volatility, but saw a lower return and may have lost purchasing power due to inflation.

Remember, asset allocation is an approach to help manage investment risk. It does not eliminate the risk of loss if security prices decline. We can help you develop an asset allocation strategy that suits your risk tolerance, time horizon, and retirement goals.

Funding your ideal retirement is not a stroll in the park. But with foresight, focus, and a solid strategy in place, you can make your retirement years some of the best ones of your life.

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1. Brainyquote.com
 2. AARP, 2015
 3. Employee Benefits Research Institute, 2015
 4. IRS.gov, 2016. In 2017, the income phase-out range for taxpayers making contributions to a Roth IRA is \$118,000 to \$133,000 for singles and heads of household, up from \$117,000 to \$132,000 in 2016. For married couples filing jointly, the income phase-out range in 2017 is \$186,000 to \$196,000, up from \$184,000 to \$194,000 in 2016.
 5. Employee Benefits Research Institute, 2015
 6. Employee Benefits Research Institute, 2015
 7. Employee Benefits Research Institute, 2015
 8. Social Security Administration, September 2016

9. Social Security Administration, September 2016
10. Social Security Administration, September 2016
11. Social Security Administration, 2015
12. Allocation is an approach to help manage investment risk. Asset allocation does not guarantee against investment loss.
13. The market value of a bond will fluctuate with changes in interest rates. As rates rise, the value of existing bonds typically falls. If an investor sells a bond before maturity, it may be worth more or less than the initial purchase price. By holding a bond to maturity an investor will receive the interest payments due plus their original principal, barring default by the issuer. Investments seeking to achieve higher yields also involve a higher degree of risk. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.
14. Diversification is an approach to help manage investment risk. It does not eliminate the risk of loss if security prices decline.
15. Thomson Reuters, 2016. For the period January 1, 1996, through December 31, 2015.
16. Stocks are represented by the Standard & Poor's 500 Composite Index (total return), an unmanaged index that is generally considered representative of the U.S. stock market. Bonds are represented by the Citigroup Corporate Bond Composite Index, an unmanaged index that is generally considered representative of the U.S. bond market. Cash is represented by the Citigroup 3-Month Treasury Bill Index, an unmanaged index that is generally considered representative of short-term cash alternatives. U.S. Treasury bills are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury bill prior to maturity, it could be worth more or less than the original price paid. Index performance

is not indicative of the past performance of a particular investment. Past performance does not guarantee future results. Individuals cannot invest directly in an index. The rate of return on investments will vary over time, particularly for longer-term investments. Investments that offer the potential for high returns also carry a high degree of risk. Actual returns will fluctuate.

RISKS:

Prepare to Sail Through Any Weather

Even with meticulous planning, goal-setting, and a prudent funding strategy, your retirement journey can be exposed to a variety of risks. However, knowledge is power. By educating yourself about these risks ahead of time, you can equip your vessel to weather any storm.

Unrealistic Assumptions

Some of the most hazardous risks you may encounter can stem from your assumptions. Even with careful preparation, life is unpredictable. Just like the rest of your life, your retirement years will be full of unexpected changes, challenges, and opportunities. The following data can help you begin to form a realistic idea of what to expect.

One survey has found an interesting disconnect between the expectations of workers and the reality reported by those who have retired. For example, 67% of workers surveyed expect to continue working for pay during retirement. In contrast, 27% of retirees actually do continue working for pay.¹

46% of workers expect employer-sponsored retirement savings plans to be a major source of retirement income, while

19% of retirees report that employer-sponsored retirement savings plans are a major source of retirement income.

And interestingly, only 35% of workers expect Social Security to be a major source of retirement income, while 62% of retirees reported that Social Security actually is a major source of retirement income.² Remember, preparing for retirement means being realistic about what you can expect; we are here for a conversation, anytime.

IDEA



*expect to work for pay
past retirement*

REALITY



*actually work for pay
past retirement*

IDEA



*expect Social Security to
be a major source of
retirement income*

REALITY



*receive Social Security as
their major source of
retirement income.*

IDEA



*expect employer
sponsored retirement
savings to be a major
source of income*

REALITY



*actually receive
employer-sponsored
retirement savings as
their major source of
income*

Longevity



Your retirement years may be a longer season of your life than you anticipate. When preparing for retirement, realistic expectations about lifespan may help you to better prepare for whatever this new season of life may bring your way. The average person's life expectancy has risen by 25 years over the last century.³ Living longer can be a multiplier of many other risks, and can require additional retirement savings. For some, it may also mean changing their stance on working during retirement. What's essential is to ensure that income will continue to flow in for as long as it is needed.

Market Volatility



Market volatility is an inevitable risk for every investor. Changing interest rates, global developments, and even investor psychology can drive markets higher or lower. While it is tempting to believe that experienced investors can learn to predict the market, time has shown that the market can be volatile. Let's look at three significant drops in stock prices from the past 30 years.

- On Monday, October 19, 1987, the Dow Jones Industrial Average fell 508 points—over 22%. Program trading, overvaluation, and market psychology may have played a role in the sudden decline.^{4,5}
- On September 17, 2001—the first day of trading after the terrorist attack on the World Trade Center—the Dow dropped nearly 685 points, at the time, its biggest one-day point decline in history.⁶

- Beginning on October 6, 2008, the Dow fell 1,874 points in five days, its worst weekly decline in history. The causes of this decline are still being debated.⁷

Although these three drops had different causes, the most fascinating thing is the one factor they had in common: each of them caught almost everyone by surprise.

In uncertain times, it can be tempting to react out of fear. But a balanced portfolio that reflects your goals, risk tolerance, and time horizon can help you weather market volatility while still taking advantage of investment opportunities.⁸

“

Our lives improve only when we take chances, and the first and most difficult risk we can take is to be honest with ourselves.

*Walter Anderson, former editor and CEO of Parade Magazine*⁹

Sequence of Returns Risk



This is one of the most insidious risks to watch out for. Sharp drops in market prices during the accumulation phase are unsettling, but history has shown that markets recover over time. However, past performance is no guarantee of future results. Market declines, in combination with income withdrawals, can accelerate the depletion of your retirement portfolio, since the assets sold to provide retirement income won't be there to participate in future market activity.

Sequence of returns risk has been called the “silent killer” of retirement strategies. Maintaining a cash reserve to fund your income needs is one way to help mitigate this type of risk during your distribution phase, but there are other strategies to consider. Let’s have a conversation about the best approach for you.



20% of retirees are currently providing financial support to a relative or friend.¹⁰

Inflation Issues



Keeping too much of a portfolio in secure investments exposes a person to another risk: inflation. Low-risk investments tend to generate low rates of return. And over some periods, low-risk, low-return investments may fail to keep pace with inflation.

Inflation sometimes seems like one of those afflictions of an era long since passed into the history books. While it is true that double-digit inflation has been absent for the last 30 years, you may remember the effects of the high inflation years of the 1970s.¹¹ Will the levels of U.S. public debt and loose monetary policy revive the inflation rates of yesteryear? No one really knows. However one thing is certain—even low inflation rates over an extended period of time can impact your finances in retirement.

A simple example will illustrate. An income of \$50,000 today at an inflation rate of 3% would have a purchasing power of just over \$32,000 in year 15—a 35% erosion. Said differently, to maintain the desired lifestyle that a \$50,000 income would provide requires \$77,900 of income after 15 years of 3% inflation.¹²

Here is something else to consider. Retirees may be subject to a higher rate of inflation than “the headline” Consumer Price Index. Why? Health care inflation has outstripped CPI inflation by as much as 3% in recent years.^{13,14} And retirees can reasonably expect to spend more on medical expenses after retirement than they did before.

Remember: inflation is a thief; it steals the purchasing power of your retirement savings. But, as with your other possessions, there are strategies that may help you from being robbed of your purchasing power.

“

I have decided to be happy, because it is good for my health.

*Voltaire, French Enlightenment writer and philosopher*⁹

Health and Extended Care

While it might not be especially fun to think about aging, health care is a major consideration for those facing retirement age. In fact, 70% of people turning 65 can expect to need some form of extended health care during their lifetime.¹⁵ However, when workers were surveyed, only 14%

said they were “very confident” they would have enough money to pay for extended care in retirement.¹⁶

The costs are higher than ever: Americans spend billions of dollars a year on extended health care services.¹⁷ These annual costs can range widely based on geographic location, from over \$60,000 in Oklahoma to over \$300,000 in Alaska.¹⁸

There are a variety of products at your disposal for extended care, the most obvious being insurance. Additional choices may include riders on life insurance, fixed annuities, or self funding through savings.^{19,20} What’s important is making sure the funding choices you select are designed to work together, and work for you.

This is an important topic to discuss with us, and also with your loved ones. Together we can create a strategy that is designed to ensure your comfort and security, for as long as you need it.

-
1. Employee Benefit Research Institute, 2015
 2. Employee Benefit Research Institute, Retirement Confidence Survey, 2015
 3. The Brookings Institution, 2016
 4. Google Finance, 2017
 5. The Dow Jones Industrial Average (DJIA) is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Index performance is not indicative of past performance of a particular investment. Past performance does not guarantee future results. Individuals cannot invest

directly in an index.

6. Google Finance, 2017
7. Google Finance, 2017
8. Investing involves risks, and investment decisions should be based on your own goals, time horizon and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.
9. Brainyquote.com
10. Employee Benefit Research Institute, Retirement Confidence Survey, 2015
11. InflationData.com, 2015
12. This is a hypothetical example used for illustrative purposes only. It is not representative of any specific investment or combination of investments.
13. YCharts.com, 2016
14. USInflationCalculator.com, May 17, 2016
15. Department of Health & Human Services, 2015
16. Employee Benefit Research Institute, Retirement Confidence Survey, 2015
17. National Institute of Health, NIHSeniorHealth.gov, 2015
18. Genworth Cost of Care Survey, 2015
19. Several factors will affect the cost and availability of life insurance, including age, health and the type and

amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges. If a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

20. The guarantees of an annuity contract depend on the issuing company's claims-paying ability. Annuities have contract limitations, fees, and charges, including account and administrative fees, underlying investment management fees, mortality and expense fees, and charges for optional benefits. Most annuities have surrender fees that are usually highest if you take out the money in the initial years of the annuity contract. Withdrawals and income payments are taxed as ordinary income. If a withdrawal is made prior to age 59½, a 10% federal income tax penalty may apply (unless an exception applies).

RETIRE HAPPY:

Make It a Bon Voyage

Congratulations! You have covered a lot of ground in these pages. We salute your willingness to educate yourself and prepare for your future. As a final exercise, let's go back to the Ideal Retirement Scenario you dreamed up back in Chapter 2. How does it look to you now? Do you need to make any adjustments to your goals or expectations?



In 2001, people aged 65 and older owned 31% of the U.S.'s financial assets. By 2040, it is estimated they will hold 44% of the country's financial assets.¹

Set Yourself Up to Win

It may be worthwhile to create a second version of your future in your mind's eye. You can call this your "Acceptable

Retirement Scenario.” This time, scale back from dreaming big and think of a doable “Plan B.” Envision a post-retirement life that, if all else fails, you could be content with. What legacy will you leave? What is the minimum you need to be happy? If a three-year sailing voyage around the world doesn’t pan out, what about a three-month Caribbean cruise instead?

Truth is, your most realistic scenario may fall somewhere between Ideal and Acceptable. Understanding this now may help you avoid surprises later on, and set yourself up to win.

“

Twenty years from now, you will be more disappointed by the things that you didn’t do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.”

H. Jackson Brown Jr., author of “Life’s Little Instruction Book”²

Your Greatest Ally



Financial strategy may not come naturally to everyone. That’s where we come in. When we stay involved in the conversation about your retirement, we can be your greatest retirement ally. But don’t take our word for it: the positive effects of working with an advisor are clear. 81% of workers who have spoken to an advisor about retirement express greater confidence in their ability to afford a comfortable

retirement, as opposed to 54% of those who have not done so.³

Sound financial guidance may have another benefit: by helping you stay focused on your goals, you may experience an increased sense of purpose in your later years. Having a clear purpose has been shown to significantly increase longevity and happiness as you age.⁴ Like any adventure, your retirement years may be full of possibilities, risks, and rewards. The better prepared you are for the journey, the more likely you are to make it a happy one.

Bon Voyage!



1. National Bureau of Economic Research, 2015; (landmark study conducted in 2004)
2. Brainyquote.com
3. EBRI, 2017
4. Psychological Science, 2014