



How to Retire With Confidence in Any Market Environment

Whether you recently retired or are planning to in the months ahead, you may be wondering how current financial and economic conditions may impact your plans. Do you need to adjust your spending to accommodate inflation or rising interest rates? How would a market correction impact your ability to meet your long-term goals? Should you wait to retire until inflation abates, or the markets become less volatile? These are all good questions as you approach one of life's most impactful milestones—the transition from work to retirement.

In a recent study, 60% of working Americans say inflation has adversely affected their personal finances, leading many to consider delaying retirement. According to the survey:¹

- 25% have felt a major impact
- 36% have reduced their savings
- 21% have reduced their retirement savings
- 25% say they will need to delay their retirement

Before changing or delaying your plans for retirement, sit down with your financial professional to:

- **Understand your income sources** - Cash flow is at the very heart of financial security. For most people, paid work provides the income needed to support your lifestyle until you retire. Once you retire, your paycheck is replaced by one or more sources, such as Social Security benefits, a pension, retirement plan assets, personal savings and/or real estate income. However, you need a plan for how you will take income in retirement to help ensure it lasts as long as you need it.
- **Develop an income strategy** – A structured approach to drawing income in retirement begins with understanding the purpose of each account you own. That enables you to draw down on your assets in the most tax-efficient manner while helping to preserve and grow any long-term assets used to generate additional income throughout your life in retirement.
- **Review or update your financial plan** - If you don't have a plan, now is the time to put one in place. A comprehensive plan will not only help you determine if you're ready to retire but whether you need to update your current strategy based on your goals or prevailing market and economic conditions. If you have questions about how long your money may last, the planning process can instill confidence that you're on track to meet your goals, or help you evaluate potential tradeoffs, such as working a year or two longer than planned or reprioritizing certain goals, so you can retire on your schedule.

To learn more about making confident decisions about when to retire, let's schedule time to talk.

¹ BMO Real Financial Progress Index, May 2022



Are Membership-Based Retail Services Still Worth It?

Membership and subscription-based services offered by retailers such as Costco, Amazon, Walmart and Target can provide consumers with attractive benefits in exchange for an annual fee. Depending on the company, benefits may include competitive pricing, discounts on products and services, the opportunity to buy in bulk, and free or discounted shipping costs. Yet, soaring prices and inflation have left many consumers wondering if the annual fees are still worth it.

That depends. Retailers like Amazon, Walmart and Target that offer same-day, scheduled and next-day shipping for select items in many regions of the country can still be cost-effective for those who are unable or unwilling to travel to local stores for merchandise they may need quickly. Shopping at wholesale warehouses, such as Costco, B.J.s and Sam's Club, can also provide significant savings, especially for those seeking to purchase items in bulk.

While most of these companies have refrained from raising annual membership fees to-date, the annual fee for Amazon Prime membership jumped from \$119 to \$139 this year, marking the first increase since 2018. Costco, on the other hand, scrapped plans to raise its annual membership fee this summer, announcing that its Gold Star membership would remain at \$60 and Executive membership at \$120 for now.¹

Walmart, which also owns Sam's Club, introduced Walmart Plus in 2020 in response to Amazon surpassing it as the country's largest retailer. Walmart Plus charges \$98 per year for free shipping and includes a number of other member benefits, including free online and local store delivery, savings on fuel at more than 14,000 gas stations nationwide, as well as members-only deals and promotions.²

Target debuted its Shipt same-day delivery service in a limited number of areas in 2019 and has since expanded the program's footprint. For \$99 per year, Shipt members get an unlimited number of free deliveries on orders of \$35 or more or pay \$9.99 per delivery.

Ideally, you want to make sure that any programs you sign up for generate enough savings to offset the cost of the annual subscription fee. This could be savings realized through shipping costs, pricing discounts, rebates and even gas. However, it's important to manage your spending. Overspending—often due to impulse purchases—can quickly eat up any potential savings, especially if it results in high interest credit card debt.

If you have questions about creating an income and spending plan in retirement, call the office to schedule time to talk.

¹ <https://www.axios.com/2022/05/26/costco-membership-cost-2022>

² <https://www.walmart.com/plus>



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