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THE ROAD TO RETIREMENT

OUR MONTHLY GUIDE TO EVERY MILEPOST, JUNCTION,
AND LANDMARK ON YOUR ROAD TO RETIREMENT.



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WHAT'S ON OUR MINDS THIS MONTH

Over the last few editions of *The Road to Retirement*, we've been focusing on the question, "I'm retired...now what?" The decisions to make and opportunities to consider in the immediate aftermath of retirement to ensure a smooth transition...and a high quality of life.

This month, we're finishing up that series by looking at three topics that will either need to be addressed at some point during retirement or that can help enrich your retirement lifestyle.

I hope you've enjoyed this series of articles! Most people work, save, and plan for years in order to retire. You deserve to "hit the ground running" when your retirement day comes, so you can check items off your bucket list and live life to the fullest. So, as you move further down the Road to Retirement, please let me know if you ever have any "Now what?" questions you would like help with! We are always here for you.

Have a great month!

WHAT'S AROUND THE BEND: BEING A CAREGIVER



When we plan for retirement, we often plan for the activities we imagine we'll spend the most time doing: Travel, golf, gardening, seeing the grandkids, etc. But there's one activity that many retirees *don't* plan for that they will find themselves doing the most: Being a caregiver.

A caregiver is a family member who regularly looks after a sick, elderly, or disabled person. Millions of Americans work as unpaid caregivers in the United States. According to the [Bureau of Labor Statistics](#), at least 15% of those providing eldercare are age 65 or older, and 21% are older than 55. Many retirees unexpectedly find themselves thrust into the role of caregiver, either for a spouse, a sibling, a child/grandchild, or even their parents.

Most people want nothing more than to ensure their loved ones are safe, happy, and looked after. But being a caregiver – especially a full-time one – can be an enormous weight on your retirement. It can be extremely costly, especially if the person you are caring for has major health issues or medical needs. That can drain much-needed retirement savings that were probably earmarked for other things.

It can also be an enormous demand on your time. Some retirees, expecting to finally take that trip to Europe or focus on volunteering, find themselves unable to be away from home for any length of time.

It can also have an effect on your own wellbeing. According to one study, [23% of caregivers](#) “say that providing care has made their own health worse.”

QUOTES WE'VE BEEN THINKING ABOUT:

**“Being rich is
having money.
Being wealthy is
having time.”**

– MARGARET BONANNO

Now, none of this is to discourage you from being a caregiver, if that's what your personal situation requires. Being a caregiver is a noble calling, and it can also be extremely rewarding! But it *does* require extensive planning to ensure that it doesn't derail your retirement dreams or drain your retirement savings. Specifically, potential caregivers should take time to:



Calculate expenses. As part of your retirement plan, factor in the potential costs of caregiving and make sure those costs can be covered.



Inventory your resources. Your retirement plan should factor in any and all funds you have that can be allocated toward caregiving *without* interrupting your own personal retirement goals. This also involves researching whether there are any state or federal resources you can tap into. Take time to review your non-financial resources, too, like determining if there are other family members who can assist you with caregiving.



Develop a budget. This can help keep caregiving costs from spiraling.



Review your family's insurance needs other than Medicare. Disability insurance, critical illness insurance, and even long-term care insurance can be very valuable for caregivers.

Being a caregiver may never be an issue for you, or at least not for a long time. But if you *do* need to function as a caregiver in retirement, it's important to factor that possibility into your plan so that you can still live the lifestyle you want while doing the most important thing anyone can do: Care for the people you love.

Please let me know if I can ever be of any assistance with this.

WHAT'S OVER THE NEXT HILL: SETTING YOUR WITHDRAWAL STRATEGY

Regardless of your asset allocation, every retiree should have a strategy for *when* they will withdraw money from their accounts, *which* accounts they will draw from first, and *how much* they should withdraw every month, quarter, and year. There are many potential strategies to choose from, and a near-infinite number of ways to customize each strategy for you. Over the last few editions of this newsletter, we've broken down a few of the more common. This month, let's look at:

The Guardrails Strategy

This strategy is based on the concept of changing your withdrawal rate based on how the market is performing. If the markets are in a long-term decline, you would decrease your withdrawal rate. During a long-term bull market, your rate would increase.

Under this strategy, retirees set specific "guardrails" for their target withdrawal rate — a high guardrail and a low guardrail. If your actual withdrawal rate rises above your high guardrail, you reduce the amount you withdraw. If it falls below your low guardrail, you increase that amount.

This approach is helpful if the value of your portfolio fluctuates dramatically due to how the markets are performing. For example, let's say your portfolio is worth \$1 million, and your target withdrawal rate is 4%. Your rate will vary, but in this example, your guardrails would become 5% and 3%, respectively. So, in a normal year, you would withdraw \$40,000. But the next year, the markets decline, and the value of your portfolio drops to \$800,000. Taking out \$40k would be more than 4% — it would be 5% of your portfolio. You've hit the upper guardrail, so you reduce the actual amount you withdraw for that year.

FUN FINANCIAL FACT

The oldest currency still in use today is the British Pound. It dates back to 775 AD and was originally called the pound sterling, when Anglo-Saxon kings used silver pennies, or "sterlings," as money.

Today, this foreign currency is the fourth most traded currency in the foreign exchange market, after the U.S. dollar, the euro, and the Japanese yen.

SOURCE: [CMC MARKETS](#)

If the value of your portfolio increased to, say, \$1.25 million, then withdrawing \$40,000 would be a little over 3% of your portfolio. That means you've hit the lower guardrail, so you would *increase* the amount you actually withdraw.

That's a lot of numbers I just threw at you! It's important to keep in mind that your numbers will be very specific to you and your situation. The overall point is that the guardrails strategy is a dynamic way to withdraw money in retirement that adapts to market conditions rather than ignoring them. That definitely makes it a strategy worth considering!



WHAT'S ON THE HORIZON: YOUR LOCAL LEGACY



One of the biggest “Now what” questions that retirees ask is, “What is my purpose?”

Now, people rarely think of the question in those words, of course. It’s more of a nagging feeling that, with children grown and their careers completed, they are no longer as productive. That they are no longer playing an active role in shaping the world around them.

But retirement doesn’t have to be that way. Retirement can be the stage of life when you do the most good for the most people. When you can be the most productive you have ever been, in a way that lasts long after you do!

In my experience, one of the best ways to make retirement as productive, rewarding, and fulfilling as possible is to focus on your legacy within your immediate community.

Here are a few simple ways to build your own local legacy:

- 1. Random Acts of Kindness:** Small gestures like helping an elderly neighbor with groceries, holding the door open for someone, or waving to everyone can brighten someone's day and foster a sense of community.
- 2. Community Clean-up:** Organize a local clean-up event to keep your streets, parks, and public spaces tidy and beautiful.
- 3. Volunteer Work:** Offer your time and skills to local charities, schools, or organizations. It's a great way to give back and connect with your community.
- 4. Community Garden:** Start or join a community garden project. It not only promotes sustainability but also brings people together.
- 5. Organize Events:** Plan community events, such as neighborhood picnics, holiday parties, or local fairs to bring people together and foster a sense of belonging.
- 6. Environmental Initiatives:** Advocate for eco-friendly practices, like recycling programs, energy-saving campaigns, or tree planting in your area.

WATCHING THE WEATHER: MARKET CONDITIONS ON THE ROAD TO RETIREMENT (SEPT-OCT)

Despite beginning the month with a sharp dip, the S&P 500 closed at a record high at the end of September, [finishing up 2.2% for the month](#).

When September began, many investors were worried about the prospect of rising unemployment and whether the Fed had waited too long to lower interest rates. (Higher interest rates tamp down on consumer spending and borrowing, forcing businesses to cut costs. This can lead to either a slowdown in hiring, a surge in layoffs, or both. Either way, with more people looking for jobs than there are openings, the unemployment rate goes up.)

Some investors were also expressing concern about AI companies. The hype over artificial intelligence has been one of the biggest drivers of the current bull market, but some of that hype has begun to cool recently as investors wonder whether the technology will actually return enough value to justify the costs.

Things quickly turned around in the markets, however, when the August jobs report came in. It showed that the jobless rate was essentially the same as the month before, suggesting that, while unemployment *is* ticking up, it's not running out of control. This relief turned to exuberance as the month went on when the Federal Reserve cut interest rates for the first time in four years. From there, it was mostly smooth sailing in the markets for the rest of the month.

HERE'S WHAT WE'RE KEEPING AN EYE ON IN OCTOBER & BEYOND

While the markets' recent performance has definitely been something to smile about, there are some potential storm clouds on the horizon. Violence in the Middle East may lead to increased turbulence for the oil markets. The unemployment rate will continue to be a main storyline. And there's always the possibility of volatility as we draw closer to the upcoming presidential election. For these reasons, it's important that we remain vigilant and prudent with our investment decisions in the short-term...while always keeping the majority of our focus on the long-term. In the meantime, have a great month!