

4 Financial Challenges to Consider in Your Retirement Plan

Planning for your retirement is exciting, but the financial side of it can present some challenges. Market volatility, your spending behavior, taxes and inflation, and the longevity of your plan all present potential obstacles on your road to retirement.

If you've worked on your financial plan and you have a strong relationship with your financial advisor, you may not feel insecure in these areas because you know your friends at Carson Wealth are taking care of you. However, maybe someone you know is starting to consider retirement and they haven't developed a relationship with a financial advisor yet. If that is the case, this would be a great article to share with them and we'd love to pass it along for you. Just shoot us an email at journal@carsonwealth.com to request a copy be mailed to them.

Market Volatility

If you rely on regular distributions from your retirement savings plan, a sudden market downturn can have a significant impact on your life. This is because downward changes in the market can reduce the value of your investments and restrict the amount of the payments you receive each month. It is especially a risk factor for those whose portfolios are not well-diversified and for those who are starting to take distributions, so they do not have the time to wait for the market to recover. This is the case for many retired individuals, particularly those in the early stages of their retirement. Market volatility can be damaging in the early stages of your retirement because of the long-term impact it can have on the financial assets you rely on for your retirement income.

Planning for market volatility means diversifying your investments and mitigating your risk with more conservative investments as you grow older. Our team of professional advisors specialize in designing bucketed portfolios that will adapt to fluctuating market conditions and protect your income throughout your retirement.

Spending Behaviors

Part of planning for your retirement is predicting how you will spend your money during this next phase of your life. A well laid out retirement plan will produce enough income to support your desired standard of living throughout all stages of retirement, but your spending strategy should also leave room to accommodate any unforeseen circumstances that may arise, particularly those that may occur in the early stages of your retirement journey.

The spending strategy you devise with your financial advisor will take into consideration your personal spending habits, your available sources of income, and how many years you expect to spend in retirement. We will also work with you to handle unforeseen

circumstances like unexpected expenses or a long-term market downturn. Together, we'll devise a plan that works for your lifestyle and won't leave you high and dry if unexpected events do occur.

Taxes and Inflation

As you walk further down your path of retirement, taxes and inflation can present a real challenge against maintaining your income. The longer you've been in retirement, the greater potential taxes and inflation have to erode your savings and purchasing power, which can impact your chosen lifestyle. Protecting your assets from inflation as you move forward in retirement ensures the income you rely on will be available to you as long as you need it.

Investing is one way that our knowledgeable team fortifies your portfolio against inflation. We understand which strategies are expected to thrive during periods of inflation and adapt your portfolio accordingly. We also have experience distributing retirement assets to minimize your tax liability every year, leaving more money in your pocket.

Longevity

We expect all of our clients to live long and prosper. This belief is fundamental to the work we do here at Carson Wealth. With modern advances in medicine and healthcare, Americans are not only living longer, we are all enjoying more active and productive lives as a result. However, with healthcare costs on the rise, longevity does present a significant threat to your retirement security. Essentially, you need to plan for the possibility that you will outlive your retirement income.

With an adaptable financial plan in place, you can adjust your retirement income as you progress through your retirement. But it's always better to start planning for this possibility early. Our advisors can help you design a financial plan that will meet the needs of your current lifestyle while remaining responsive to changes in the later years of your retirement.

Talk to Us!

If you have questions about any one of these four areas, give your Carson Wealth advisor a call. We are happy to discuss these areas with you and ensure that your plan has been created to thoroughly address these key issues.

Again, if you know somebody who is entering into the retirement planning phase of their life, we encourage you to share this article with them. This way, they can adapt to these obstacles before they present challenges to their retirement. If they are looking for a financial advisor to walk with them on their journey to retirement, our Carson Wealth team is here to be of service.

With straightforward fees, an effective game plan, and advice in common language, our clients don't leave feeling confused about what's happening with their retirement savings. Our goal is to make your life easier and our advisors are just as good at explaining

investments as we are at making them. Give us a call today at (423) 247-8840 in TN or (301) 739-8505 in MD.