







Timely insights that you can use.

The transition from work to retirement marks a significant life change, often filled with mixed emotions. It's a time to shift focus from career responsibilities to personal interests and leisure, allowing for more freedom and relaxation. Proper planning and a positive mindset can help make this transition smooth and fulfilling.

Understand spending needs. 	<p>Transitioning to retirement is an important time to understand your <i>essential</i> and <i>discretionary</i> spending needs. This understanding is essential for effective planning. By having a clear picture of your spending, you can create a realistic budget and helps you set aside enough savings for emergencies and future goals. This awareness helps you make informed financial decisions and maintain a balance between the spending necessities of life and the goals and dreams you've been planning for.</p>
Understand income resources. 	<p>Having a variety of retirement income sources can provide greater financial security and flexibility during retirement. Consider matching guaranteed income sources like Social Security and pensions with essential spending needs. Identify ways to bridge any gaps by repositioning accumulated savings into instruments that can provide guaranteed income. Consider covering discretionary spending needs by prudent withdrawals from retirement investment accounts.</p>
Align investments. 	<p>Aligning your investments to your risk tolerance and time horizon is crucial as you transition to retirement. Investments should be selected that align with your comfort level regarding market fluctuations, your time horizon, and income needs. This alignment helps manage potential risks and may stabilize returns over time. Following proper asset allocation principles can help ensure that your investments match up well to your retirement needs.</p>
Maintain emergency reserve. 	<p>An emergency reserve is vital for financial security, providing a safety net during unexpected situations like job loss or medical emergencies. It helps you cover essential expenses without resorting to high-interest debt, reducing financial stress. By having an emergency fund, you can navigate unforeseen challenges with confidence and maintain your financial stability. Ultimately, it helps achieve peace of mind and protects your long-term financial health. A good target amount is 2-6 months of daily expenses.</p>
Consider the impacts of longevity and death. 	<p>Longevity risk, or the possibility of outliving your savings, can lead to financial strain in retirement if not properly planned for. Conversely, the risk of early death may result in unutilized savings and financial challenges for surviving dependents. Addressing these risks involves balanced planning, which can help secure financial stability under either scenario.</p>
Have a plan. 	<p>Having a financial plan in retirement is essential for maintaining financial stability and peace of mind. It helps you manage your income, expenses, and savings effectively, helping prepare you to meet your future needs and enjoy your retirement years. A well-structured plan also prepares you for unexpected costs and provides a roadmap for achieving your long-term financial goals. Ultimately, it may allow you to live comfortably and confidently without the stress of financial uncertainty.</p>

Not FDIC Insured
 • No Bank Guarantee
 • May Lose Value

Investment management, retirement, trust and planning services provided by COUNTRY Trust Bank®



Experience more.®