

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

rest their retirement concerns – a well-funded Social Security system, substantial corporate pensions with retiree health benefits and, ideally, a strong personal ...

Sep. 23, 2015



It wasn't long ago that most Americans had a secure three-legged stool on which to rest their retirement concerns – a well-funded Social Security system, substantial corporate pensions with retiree health benefits and, ideally, a strong personal savings rate.

Nowadays, however, pensions aren't what they used to be; they've been largely

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

their primary source of income.

“All is not lost; however, whether you're retired, soon-to-be retired or planning on it a few decades in advance, your best move is to do something about it now,” says Marc Sarner, president of Wake Up Financial and Insurance Services Inc. ([www.wakeupretirement.net](http://www.wakeupretirement.net)).

While there are many clear factors to consider when planning for retirement – such as when to draw Social Security benefits and the possibility of long-term medical care – Sarner summarizes five variables you may be overlooking.

- **You may need a housing plan – or two.** Between 2005 and 2007, U.S. home values spiked drastically in value, but shortly thereafter plummeted. Fluctuations in the housing market could impact your retirement income strategy. Your home may not provide the backup retirement income you have anticipated, Sarner says. Looking ahead, the rate of house appreciation is likely to revert closer to the long-term norms (pre-2006) of 0.75 to 1 percent per year over the rate of inflation – not double-digit annual increases, according to the Urban Land Institute.
- **Consider the potential impact of inflation.** Inflation can be experienced a little differently when you retire because you'll likely spend money proportionately on different things. For retirees, the tendency is to spend money on things that experience a higher rate of inflation. For instance, health care, which has an inflation rate of about 8 percent – is currently two to three times greater than the overall inflation rate.
- **Reconsider your goals.** The distribution of retirement income differs from accumulation because, once retired, you may no longer have the timeline to help you recover from the impact of a down market. You can't control what the markets will do, or when they will do it, Sarner says. The occurrence of a market downturn, such as in the first few years of retirement, can have an impact on how long

retirement assets may last. One helpful strategy is to combine growth opportunity

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Think of your distribution strategy for retirement as the climbing down the face of a tall mountain and beginning the slow, steady climb towards your retirement savings goal. If you're not prepared for a long and controlled descent, you could run out of an adequate supply of rope to make your journey safely. A distribution strategy is all about how to descend the mountain as steadily, carefully and securely as possible.

“These are summary explanations of lengthy considerations,” Sarner says. “Be sure to carefully review the many aspects of these retirement variables.”

---

*As president of Wake Up Financial and Insurance Services, Inc.*

*([www.wakeupretirement.net](http://www.wakeupretirement.net)) for nearly two decades, Marc Sarner provides retirement solutions for retirees and pre-retirees that focus on reducing taxes, increasing income and managing risks. He earned his Bachelor of Business Administration from California Polytechnic State University.*

Benefits • Payroll

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved

