# Will I run out of Money?

*Steps to avoid running out of money in retirement*

Life expectancy in the U.S. continues to be at an alltime high. According to the most recent numbers, if you've made it to 50, you'll probably live to be 81.6. If you're 65 now, statistically, you could live another 20 years to 84.3 years. Good news, right?! Yes, but it's even better news if you have a plan to avoid running out of money in retirement.

## Steps to avoid running out of money in retirement

These extra years impact your financial plan in several ways:

- **Every year you live is another year that inflation impacts your spending power** to the tune of 2-3% per year. Over a 25-year period of time, the purchasing power of $1 can be cut in half. Consequently, some of your assets have to be invested so that they grow long term to protect against inflation risk.
- **Downsizing sooner may help your money last longer.** If you have more house than you need, and the timing is right, selling your house will allow you to pay off debts now while also reducing your fixed costs, real estate taxes, insurance and utility costs.
- **It literally pays to be strategic about Social Security.** Knowing when to start withdrawing Social Security requires an understanding of your specific situation. Find an expert who can educate and advise you as to how this crucial component fits into your retirement plan.
- **And finally, we may be alive, but we're not necessarily in good health during these extra years.** Plan on more years of medical expenses, as well as the cost of retirement housing and assistance that you may need.
- **We're living longer, but not necessarily retiring later.** Which, as the life expectancy tables show, means you need enough money for 20 or so years. Even when you achieve financial freedom, it may be wise to stay involved in something you enjoy that produces additional income to stay ahead of inflation's erosion.

As you think about how long you might live and if your retirement money will last, remember that you can grow more money, it just takes time. Tackle the realities of your future now and it'll be easier to enjoy those extra years.

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# Let’s Have a Conversation

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