



Why Entering Retirement Doesn't Mean the End of Planning for Retirement

While entering retirement marks an exciting milestone, it's hardly the finish line. Rather, it's the start of a whole new chapter where you have increased freedom to decide how you'll spend your time, who you'll spend it with, and where. However, transitioning to retirement does require a shift in mindset. After decades of saving and investing for retirement, suddenly your income is no longer derived from paid work but from sources such as Social Security, retirement plan investments, personal savings, and a pension, if you have one.

You can also expect some new financial challenges as you move from a lifetime of saving to spending in retirement, such as managing Medicare and Social Security benefits, drawing down on assets in a tax-efficient manner, and taking required minimum distributions from tax-advantaged retirement accounts. You may also need to contend with factors you can't control, such as market volatility, inflation, and unplanned expenses. These can make managing your finances in retirement even more complex. That's why it's so important to put a strategy in place to help ensure you're able to maintain your lifestyle and accomplish your goals for another 20, 30, or more years.

For retirees seeking income, stability, and growth, an approach that segments assets into different "buckets" can be helpful for envisioning how they may be able to accomplish multiple life and legacy goals. The bucket approach divides assets into different segments, based on their purpose and when they will be needed.

For example, the first bucket represents short-term goals, which are generally two years or less. That money may be in cash or invested in very short-term fixed-income investments for liquidity purposes. This bucket is also used to supplement what you receive from sources like Social Security or a pension to pay for essential expenses, such as food, clothing, housing, transportation, and healthcare.

The second bucket serves as a bridge between your long-term and short-term buckets. A balanced approach to asset allocation helps to generate enough growth to periodically replenish the short-term cash bucket, allowing the third bucket – your long-term assets – to grow untouched.

The third bucket has greater exposure to stocks to potentially allow for more growth. Since these assets are invested for the long term, and are not needed to fulfill short-term goals, investors can be less concerned about the impact of day-to-day and short-term market fluctuations on this segment.

Regardless of what you have planned for retirement, a strategy that's aligned with your lifestyle needs, goals, timeframe, and risk tolerance can provide the confidence that you're on track toward living the life you desire.

If you would like to learn more about strategies to help create predictable, inflation-adjusted income in retirement, call the office to schedule a time to talk.



Making Multigenerational Travel Work for Your Family

In recent years, multigenerational family travel has emerged as a top trend, especially among families whose members are geographically separated. According to the Family Travel Association:¹

- 54% of grandparents surveyed say they have planned and organized multigenerational travel experiences and half have taken a multigenerational trip in the past three years
- 40% are planning to take one in the next three years

River cruising, active or adventure trips, celebration travel, and luxury cruises top the list of travel experiences that families are seeking. While these trips can offer families good opportunities to reconnect, traveling with family of various ages, capabilities, and preferences is not without its challenges. Below are tips for making multigenerational travel work for your family:

- Before choosing a destination, have conversations with family members to learn about everyone's interests and the types of things they'd like to see and do
- Enlist the help of a professional travel agent or service to help plan your trip
- Communicate any special needs at the time of booking, such as cribs or highchairs for small children or mobility requirements for older adults
- Manage family members expectations ahead of time. Will you spend each day together as a group or go your separate ways? Will you prepare meals together, eat out, or a combination? If you're eating out together as a large group, consider dining early before the crowds.
- Consider cruises and all-inclusive resorts. Both offer multiple dining options, as well as programs and activities geared toward different age groups and interests, including programs for children and teens. They can also help contain costs and eliminate surprise expenses, including unfavorable currency exchange rates when traveling abroad.

¹"As Multigenerational Travel Increases, So Do the Benefits for All Ages." Travelweekly.com, 1 APR 2024, <https://www.travelweekly.com/Thought-Leadership/RIU-Multigenerational-Travel-Benefits/362703>.

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