

# Financial Checklist: Living in Retirement

Retirement means something different to everyone. To achieve your goals, you'll need to make some important financial decisions. When working with your financial advisor and tax professional, use this checklist as you consider strategies to help provide income for today and growth for tomorrow.

---

## Plan for the expected

As you think about how much money you'll need and ways to help make sure it lasts as long as you need it, begin outlining your goals to determine if they're achievable, given your savings and investments.

### Outline your goals

- Define your vision of "retirement" - when you'd like to retire and what you'd like to do (volunteer, work part time, pursue hobbies, etc.).
- Discuss your concerns. Do you anticipate any health issues? Do you have relatives who've lived a long time? Is it important to leave money to your heirs?

### Outline expected spending goals

- Estimate expected spending, living expenses, possible travel, health care, etc. If possible, separate into necessary and discretionary expenses.
- Include taxes as part of your expenses.

### Assess outside sources of income and investments

- Review considerations for Social Security and any pensions, including taxes, especially if you're retiring before your full retirement age.
- List expected income from Social Security, a pension or part-time employment.
- Calculate the "income gap" - the gap between your outside income sources and your expenses, which is what your savings and investments will need to cover.
- Outline all investments available for retirement. Leave out any you want to use for something other than retirement expenses, such as leaving a legacy.

### Determine whether your spending strategy is achievable

- Discuss how much you expect to take out of your investment portfolio and if that amount is appropriate.
- Evaluate any changes to withdrawals and spending, based on how much you are relying on your portfolio.
- Discuss if any adjustments are required (such as reducing spending or working longer or part time).

## Prepare for the unexpected

No one can say what the future holds, and there's no way to prepare for everything that could happen. However, you may be able to make a few active decisions to help ensure you have some flexibility if the unexpected happens.

- Discuss ways to address major expenses and risks that can potentially derail your strategy, such as inflation, market declines and living longer than expected. Consider incorporating them into your spending or insuring against them.
- Complete the questionnaire in our *Making Your Money Last* report with the help of your financial advisor to determine what role, if any, insurance and annuities may play within your strategy.

## Position your portfolio for both

After you've decided what your retirement looks like, accounted for your expected expenses, and discussed how to handle the "what ifs" life may throw your way, you can make better-informed decisions on how to invest your money.

### Determine how to invest your money

- Incorporate insurance if necessary, given the "Prepare for the Unexpected" discussion.
- Discuss trade-offs between your mix of investments and your desire to leave a legacy.
- Construct your investment mix based on goals, risk tolerance and time horizon. Your financial advisor can help build your portfolio with an emphasis on diversification, balancing the needs for income today and growth for tomorrow.

### Develop your spending strategy

*By investment:*

- Build a reserve of cash or easily accessible money to cover one year of current expenses, after factoring in money coming from outside sources and annuities.
- Use a three- to five-year CD ladder to prepare for expenses over the next several years.

*By account:*

- Start with any required minimum distributions (RMDs), and then use interest and dividends from taxable accounts. If you need more income, we generally recommend withdrawals in the following order: taxable accounts, tax-deferred accounts, tax-free accounts. However, this sequence may change depending on your tax situation.
- Discuss your withdrawal strategy with your tax professional to learn the impact on your tax rate.

### Schedule reviews

- Schedule an appointment at least annually or after a major life event or an investment value decline.

*Discuss with your financial advisor your:*

- Investment mix and need to rebalance investments as you withdraw money
- Spending strategy to see if you need to make any adjustments
- Withdrawals to help ensure they remain within our suggested guidance

Edward Jones, its employees and financial advisors are not estate planners and cannot provide tax or legal advice. Please consult your estate-planning attorney or qualified tax advisor regarding your situation.



**Joe Allen**  
Financial Advisor

5672 E State Rt 69 Suite 135  
Prescott Valley, AZ 86314  
928-445-2226

[edwardjones.com](http://edwardjones.com)  
Member SIPC

**Edward Jones**<sup>®</sup>  
MAKING SENSE OF INVESTING