

## Your Retirement in Focus

October 25, 2016

### Will Your Money Last?

Nobody can predict how long you'll spend in retirement. But one thing is certain: You don't want to run out of money. Consider the following when estimating how long your savings will last.

#### Your Earnings

The rate of return on your savings and investments may play a big role in making your money last. However, there's no way to predict your investments' performance over time. It may be useful to remember that stocks historically have provided higher returns than more conservative investments over the long term, so keeping a portion of your portfolio invested in stocks after you retire may be a good idea.\*



#### Your Withdrawal Rate

The percentage of your savings that you withdraw each year may have a significant impact on how long your money lasts. So it's important to calculate the amount you can withdraw without running out of money based on a specific time horizon - 30 or 40 years, for example. You may need to adjust your withdrawal amount in some years depending on your returns and on the inflation rate.

#### The Rate of Inflation

Over time, everything costs more, even when inflation is low. So the longer you spend in retirement, the more the buying power of your savings may be reduced by inflation.

#### Your Expenses

Estimating expenses in retirement can be tricky. You may have to replace expensive items such as your car or your furnace. And people often underestimate health care expenses, so make sure you budget for deductibles, copays, and supplemental insurance or Medigap premiums.

#### Your Longevity

You don't know how many years you'll spend in retirement, so planning for a 30-to-40-year lifespan is a wise move.

\*Past performance doesn't indicate future results.

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