



Will Your Money Last A Lifetime?

*Excerpts from How To Make Your Money Last by
Jane Bryant Quinn. Updated 2020.*

Running out of money is one of the biggest fears in retirement.

The challenge for everyone is to find ways to stretch your savings in retirement that could last 30 years or more. Personal finance expert Jane Bryant Quinn provides sound tips and advice for anyone retired or about to retire.

- If you're still working, jack up your contributions to your company retirement plans or individual retirement account (IRA).
- Put off taking Social Security. Age 62 is normally too young unless you absolutely have no choice. Your benefit would be chopped by 25 to 30 percent, reducing your Social Security income now and the rest of our life.
- Nail down your individual health insurance and revisit the plan every year. New plans are coming into the system all the time and prices change. You can switch plans once a year during Open Enrollment generally from November 1 to December 15. You also have annual Medicare choices.
- If you need a major spending cut, look at housing first. That's where the big bucks are and the sooner you harvest this, the better. You might sell your house and buy something smaller, sell and rent or take a reverse mortgage.
- Take lifetime annuities if you find that your retirement savings are just enough or a little bit short. Odds are the monthly payments you receive will be at least comparable to what you'd get by applying the 4 percent withdrawal rule to your savings and investments and you won't have to manage the money. Do Not fall for the costly annuities with lifetime withdrawal benefits.
- Check every one of the beneficiary forms you ever signed to be sure the right person will get the money when you die.
- Keep a large enough cash reserve—in a bank, credit union or money market mutual fund—to ensure that your bills will be paid for the next two years.
- For retirement investments, buy index mutual funds. Low-cost index mutual funds. Only low-cost index mutual funds such as those at Fidelity and Vanguard.
- Buy stock-owning index funds with at least 35 percent of your retirement savings if you or your spouse is likely to live 30 years or more.
- Choose a withdrawal rule that fits with your stock allocation. If you hold just 30% of your money in stock-owning index funds, a reasonable starting place is 3.5 percent in the first year plus annual inflation adjustments.
- Resist temptations. You know there's something wrong with "income investments" promising safe and super-high yields (they're all Venus flytraps.)
- Don't watch your investments every day. Please. It's stressful and a waste of time.
- If you're holding a life-insurance policy, make sure that it isn't going to lapse.
- Simplify your financial life. Assemble all your traditional IRAs and 401ks into a single IRA, if possible. Invest in the fewest possible low-cost index stock and bond mutual funds to make rebalancing easy.
- Have "the talk" with your spouse. If you've been making most of the family financial decisions, retirement is the time to share.
- While you're at it, make a list of your passwords. Keep it current.
- Update your will (you have one, of course.) This isn't a book about estate planning. Just checking to make sure you have a will, a living will that explains the extent of the medical treatment you'd want if you can't decide for yourself, a health-care agent to be sure that your wishes are carried out and a durable power of attorney (POA).
- Best advice? Save, save, save!

To order Jane Bryant Quinn's updated 2020 book *"How To Make Your Money Last,"* go to amazon.com.

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