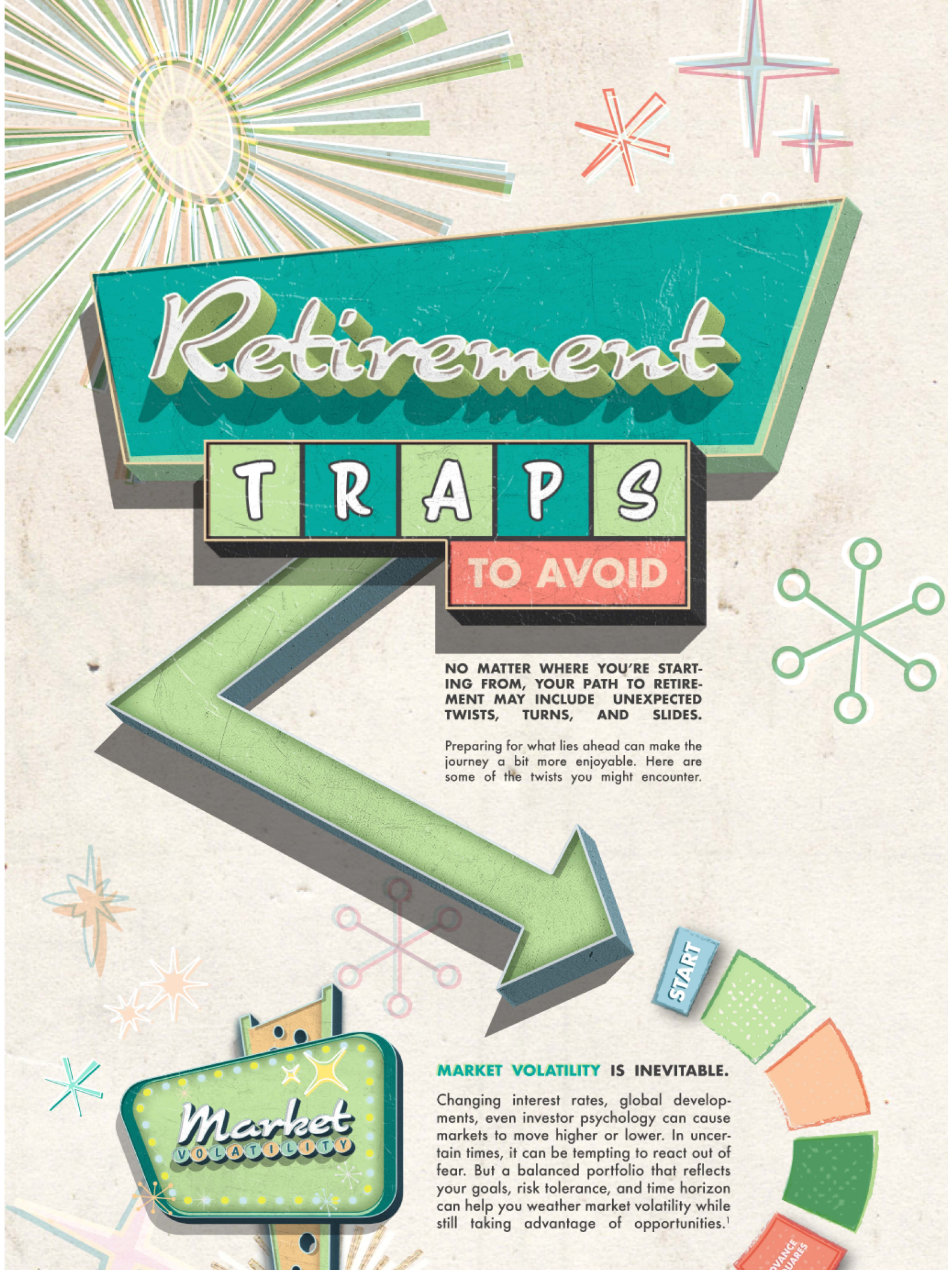


[Infographic] Retirement Traps to Avoid

January 1st, 2022

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Retirement

TRAPS

TO AVOID

NO MATTER WHERE YOU'RE STARTING FROM, YOUR PATH TO RETIREMENT MAY INCLUDE UNEXPECTED TWISTS, TURNS, AND SLIDES.

Preparing for what lies ahead can make the journey a bit more enjoyable. Here are some of the twists you might encounter.

Market
VOLATILITY

MARKET VOLATILITY IS INEVITABLE.

Changing interest rates, global developments, even investor psychology can cause markets to move higher or lower. In uncertain times, it can be tempting to react out of fear. But a balanced portfolio that reflects your goals, risk tolerance, and time horizon can help you weather market volatility while still taking advantage of opportunities.



INFLATION IS AN UPWARD MOVEMENT IN THE AVERAGE LEVEL OF PRICES OVER TIME.

Over time, inflation can act like a thief, stealing purchasing power from your retirement savings. But in the same way that you might protect your possessions from robbers, there are wise financial strategies that can help prevent financial losses due to inflation.

INFLATION

HEALTH CARE COSTS COULD BE ONE OF THE BIGGEST EXPENSES YOU WILL FACE IN RETIREMENT.

A healthy couple retiring at age 65 can expect to pay about \$208,000 in lifetime out-of-pocket healthcare expenses during the course of their retirement, even with supplement coverage such as Medicare Part D, Medigap, and dental insurance.² Also, remember to plan for extended care. Someone turning age 65 today has almost a 70% chance of needing some type of extended care and support in their remaining lifetime.³

Healthcare COSTS

LIFESPAN

YOUR RETIREMENT YEARS MAY ALSO BE A LONGER SEASON OF YOUR LIFE THAN YOU ANTICIPATE.

The average person's life expectancy has risen by 25 years over the last century.⁴ Living longer can require more retirement savings. For some, it may mean changing their stance on working during retirement. 72% of today's workers expect to keep working after they retire. However, only 30% of retirees actually remain on the job.⁵

A colorful board game board with a path of squares. The path starts at a pink sign that says "Expectations" and ends at a green sign that says "YOU MADE IT!!!". The path is made of squares in various colors: pink, blue, red, green, and orange. There are also squares with text: "LOSE A TURN", "ADVANCE 3 SQUARES", "MOVE BACK TWO SPACES", and "VACANCY". The board is decorated with stars, a windmill, and a large number 10. The background is a light beige color with a subtle pattern of stars and lines.

Expectations

PERHAPS THE BIGGEST TRAP TO AVOID ON YOUR JOURNEY IS THAT OF UNREALISTIC **EXPECTATIONS**.

Retirement, like the rest of your life, will be full of changes, challenges and opportunities. Preparing yourself mentally and financially can help pave a clear path so you can enjoy all the adventures that lie ahead.

YOU MADE IT!!!

Welcome to Retirement



SOURCES:

1. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.
2. <https://hvsfinancial.com/wp-content/uploads/2020/12/2021-Retirement-Healthcare-Costs-Data-Report.pdf>
3. <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>
4. <https://www.statista.com/statistics/1040079/life-expectancy-united-states-all-time/>
5. https://www.ebri.org/docs/default-source/rcs/2021-rcs/2021-rcs-summary-report.pdf?sfvrsn=bd83a2f_2

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