RETIRING WITH CONFIDENCE

Building a Plan that is Designed to Outlast You

We're often asked, "how much do I need to save to retire?" The answer depends on the income needed to support the life you've envisioned for as long as you need it. Everyone's retirement vision is different, and Azura approaches every plan with a focus on *income*, not just savings.

With our open architecture approach and experienced advisors, Azura Wealth Advisers specialize in helping to create sustainable, tax-efficient income streams that adapt to your needs and priorities. Whether you're mapping out your first plan or revisiting an existing strategy, our focus is on helping you transition from building wealth to living securely off of it.

Creating a retirement plan that is designed to outlast you takes many factors into consideration. This article explains how to approach building a strategy that shifts the focus from, "how much money do I need?" to, "how much income will support my life?" With the right plan in place, you can have the financial peace of mind of knowing that you are prepared for the years ahead.

I. Understand Your Expenses

The foundation of your retirement plan is knowing your future costs. Retirement expenses aren't static—they shift as your life changes. We start by outlining your current spending, and then account for factors like healthcare costs, inflation and lifestyle goals.

Example: Healthcare costs often rise with age, and long-term care or out-of-pocket costs can quickly add up. Planning for a 3-5% annual increase in healthcare costs is common for many retirees.[1]

Key Insight: Retirees often underestimate discretionary spending in the early years of retirement. As we often say, "every day is Saturday in retirement." Be realistic about how much you'll need to maintain your desired lifestyle.

II. Know Your Retirement Income Sources

We identify all potential income streams, such as 401(k), Social Security, brokerage accounts, rental income, annuities and any pensions. Then we calculate whether these will cover your projected expenses.

Practical Tip: If you plan to rely on investment income, consider starting with the 4% Rule—a rule of thumb for retirement spending. It is a guideline suggesting you can withdraw 4% of your investment portfolio annually,

[1] Source: https://www.healthcareadministrationedu.org/2016/02/health-care-costs-are-rising-faster-than-inflation/

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adjusted for inflation, to maintain a sustainable income.[2] For example, if you have $1 million saved, withdrawing $40,000 annually could potentially last 30 years.

III. Plan for Longevity

With medical advancements, many retirees live 30 or even 40 years in retirement. In fact, a 65-year-old couple today has an almost 50% chance of at least one partner living to 90. This makes outliving your money a real concern.[3]

Key Insight: Annuities can provide a steady income for a specified period of time or life offering a sense of confidence when longevity is a concern. These products, when carefully selected, can complement other income sources and help reduce the risk of running out of money.

IV. Inflation-Proof Your Plan

Inflation erodes purchasing power over time, so your retirement income must grow to keep pace. For example, $100,000 today will not stretch as far 24 years from now. If history is a guide, every twenty years we see a 50% reduction in the purchasing power of a dollar.[4]

Practical Tip: Consider Including growth assets, such as stocks, in your portfolio even during retirement.[5] While they come with risk, they may also have the potential to help your money outpace inflation. A balanced approach can provide both growth and stability.

V. Revisit and Adjust Regularly

Life and markets change, so your retirement plan should be flexible. Regularly review your plan to adjust for unexpected expenses, market performance, or new goals.

Example: If your portfolio allocation drifts due to market gains or losses, rebalancing can help maintain the right mix of growth and stability that reflects your risk tolerance, financial goals and time horizon.

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[2] This rule is a general guideline created by Bill Bengen based on historical data and is not guaranteed. Actual results may vary depending on market conditions and individual circumstances.
[3] Source: https://www.rbcwealthmanagement.com/en-us/insights/how-to-plan-your-health-care-and-life-expectancy
[4] Source: https://www.investopedia.com/terms/r/ruleof72.asp
[5] Investing in stocks involves risk, including the potential loss of principal. Diversification strategies do not ensure a profit or protection against loss.

Conclusion: A Plan That Works for You

At Azura Wealth Advisers, we understand that every client's retirement journey is different. That's why we combine expertise with a personalized approach, focusing on the strategies that matter most to you. From helping you manage income sources to inflation-proofing your plan, our team works alongside you to help ensure your retirement plan is designed to outlast you—and to help you enjoy the life you've worked so hard to build with confidence.