

# A roadmap for your changing retirement income needs

Some investors who are approaching retirement are unsure of how their income needs may change during their retirement income years and are stressed about knowing how long their savings will last.

It is important to develop a budget and retirement income plan to determine if there will be enough money to last through an individual's entire retirement and that will be flexible enough to adjust to changing lifestyle income needs. Studies show that individuals who have reviewed their budget and plan are less stressed than those who have not.

Typically there are three stages of retirement:

## 1. Spending Phase

During the first ten or so years of retirement, many individuals spend more, as they want to take advantage of their current good health and are more active. More money is often spent on travel, personal hobbies, spending time with family, etc. Some individuals may still have mortgages or other debt that have carried into the start of retirement which also affects their income needs.

## 2. Stability Phase

This second phase of retirement is often accompanied by changing health and/or a less active lifestyle. This may mean that individuals do not travel or pursue other activities as much as they did previously, so the cost of these items usually decreases.

## 3. Sedentary Phase

In this phase an individual may see a decline in their physical or mental health which further reduces money spent on hobbies and travel. They may require home care support however, or, may need to move to a retirement or long-term care facility, with those associated costs.

We recommend that you work with your financial advisor to ensure your financial plan provides flexibility to adapt to these changing income needs. This should include a review of your asset mix to ensure you have a portion in lower risk investments for the start of your retirement, as well as a portion in bonds and stocks to provide growth for the long-term, customized to match your tolerance for risk.

Plan members are encouraged to review their retirement income strategy and asset mix with one of Reuter Benefits' team of licensed professionals. You can contact Reuter Benefits by phone at 1-800-666-0142 or via email at [retire@reuterbenefits.com](mailto:retire@reuterbenefits.com).

