

## **Title:** What is the most important factor in retirement planning?

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### **1. Income**

Income is the first thing people think about when they retire. However, income is only one piece of the puzzle. You need to consider how much money you have saved, what kind of lifestyle you want to live, and whether or not you plan to work at some point after you stop working full time. If you don't have enough savings to cover your expenses, then you may find yourself having to take out loans to make ends meet. That's where debt comes in. Debt can cause financial problems down the road if you're not careful.

### **2. Health Care Costs**

Health care costs are rising rapidly. According to the Centers for Medicare & Medicaid Services (CMS), total national spending on health care grew from \$2.9 trillion in 2000 to \$3.8 trillion in 2015. As a result, many retirees face higher medical bills than ever before. In fact, according to the Kaiser Family Foundation, average annual premiums for employer-sponsored private insurance rose from \$12,000 in 2010 to \$16,500 in 2016.

### **3. Social Security Benefits**

Social security benefits are based on two factors: your earnings history and your age. Your earnings history affects how much you'll receive each month, while your age determines how long you get to collect benefits. Unfortunately, these numbers aren't set in stone. Congress decides how much to pay people and when to start paying them. Because of this, it's difficult to predict exactly how much you'll receive.

### **4. Retirement Savings**

If you haven't been saving, now is the time to start. Even though interest rates are low right now, you should still save 10% of your gross monthly

income. When you do invest, choose a mix of stocks and bonds. Stocks tend to perform well over the short term, while bonds provide steady returns.

## **5. Taxes**

Taxes play a big role in retirement planning. Most people assume taxes go away once they reach their golden years. But that isn't always true. Depending on your situation, you could owe Uncle Sam thousands of dollars per year. Make sure you understand your tax obligations before you retire.

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