



REACH for RETIREMENT

YOUR RETIREMENT PLANNING NEWSLETTER

Coaching Decision

Consider Working With a Financial Professional To Help Improve Your Financial Health

A financial professional can help you not only make key financial decisions, but also identify your priorities and guide you toward achieving your financial goals — including retirement. Here are three reasons why seeking professional advice about your financial future may be a smart move.

Objectivity

Sometimes your emotional biases can make it difficult to look at your own financial situation with clear eyes. A common example: people may know they need to save for retirement, but they often have difficulty sacrificing present consumption because of a lack of self-control. A professional advisor can help provide an outside perspective, objective accountability and recommendations for changes in behavior that may be necessary for you to achieve your goals.

Personalization

Each person has their own unique set of circumstances, and general financial advice (like the kind you get in this newsletter) cannot possibly consider all of your unique variables. A financial advisor can help you recognize when you may need to adjust your spending, balance personal needs versus wants and identify ways to be more mindful about your finances.

3RD QUARTER 2023

IN THIS ISSUE

Coaching Decision 1

Cleared for Takeoff. 3

Wake-Up Call. 4

The Planning Zone 5



Coaching Decision

Continued from page 1

Address Specific Questions You Have Now

A professional advisor can help answer questions you have right now, such as:

- Is the amount I'm currently saving enough to manage my retirement income needs?
- Should I be making Roth contributions or pre-tax contributions?
- How can I manage things like inflation, market volatility and other risks in my investment strategy?
- What can I expect from Social Security benefits?
- How can I best plan for healthcare expenses in retirement?



Your Plan's Advisor Can Be a Resource

Your current plan advisor may be able to work with you or refer you to a colleague. For more information or to request an initial meeting, please feel free to reach out to them via email or phone. Here are some questions to ask:

- *What services do you provide?*
- *What types of clients do you work with?*
- *How often do you meet with clients? How often will we communicate?*
- *How are you compensated? Fees (hourly or a percentage of assets)? Commission? Both?*

You are also encouraged to perform a background check on any advisor you are considering working with through [Investor.gov](https://www.investor.gov).

A Game Plan That Grows With You

Depending on your current stage of life, you may not have a need for a comprehensive financial plan. Many financial advisors offer customized services based on a specific need you may have right now, such as reviewing your 401(k) plan and making investment allocation recommendations, helping you create a cash flow management plan, setting up a college savings account, and many other things .

Cleared for Takeoff

Planning To Retire Within Five Years or so? Include These Three Exercises in Your Flight Plan

Whether you have a specific date in mind or not, choosing when to retire requires careful planning and preparation — even if you plan to continue working part-time. Here's a preflight planning checklist that can help you navigate a few of the uncertainties and move ahead with confidence.

Buckle Up and Make Sure Your Budget Is in Its Upright Position

Your first step is to get the most comprehensive, clear and accurate picture of your annual expenses that you can. For reference, collect your credit card statements and checking/savings account statements from the past 12 months (most banks and credit card companies let you download a yearly review of all your transactions organized into charts and graphs so you can get a clear look at your total annual spending). You may already have a good handle on your biggest expenses each month, like housing, transportation, food, cable and cell phone. You'll want to make sure to include other fixed costs, such as insurance (all coverages), haircuts or salon visits, gym memberships, streaming services, wellness exams and dental cleanings.

Perhaps the most important part of this step is to review all of your one-off and variable purchases to better understand how they can impact your overall yearly spend. Reviewing these transactions can show you how much you really spent on coffee, home improvement projects, online purchases, manicures and pedicures, dining out, spur-of-the-moment weekend getaways and other items. Really digging into your entire year-in-review can also help you notice patterns in your spending, like when there are increases around vacations, holidays, birthdays and other annual events.



Inspect Your Retirement Income Sources

Now that you know what you'll need, it's time to inspect any sources of income you can count on each month in retirement. Some examples include:

- Social Security. This [Social Security Quick Calculator](#) lets you estimate your monthly benefit checks.
- Income from rental properties
- An annuity
- A work pension
- Withdrawals from retirement savings (a very general rule of thumb is to budget a 4% annual withdrawal rate from retirement accounts)

Avoid Turbulence With Healthcare Costs

While Medicare is a valuable benefit for those age 65 and older, it isn't free and it doesn't cover everything.

Health-care costs include deductibles, premiums and things Medicare doesn't cover, such as prescription drugs, vision and dental care, hearing aids, home care and nursing homes. Therefore, before you retire:

- Start saving money toward covering these potential costs
- Enroll in a health savings account to help reduce taxes (if available)
- Look into long-term-care insurance; it may be worthwhile if you are eligible and young enough to qualify for a reasonable rate
- Do your research before signing up for Medicare. Will you choose Original Medicare and supplemental ("Medigap") insurance? Or will you choose Medicare Advantage, a popular type of private insurance coverage? Sign up now for [Medicare's newsletter](#) to get updates and stay informed regarding all your options.

Wake-Up Call

Try These Morning Rituals To Get Your Day Off To The Right Start

What's your current morning routine? Maybe it goes something like this: mutter an expletive as the alarm goes off, begrudgingly pull yourself out of bed, throw on a robe and take the dog out, while suddenly realizing that you forgot to set up the coffee maker last night (again)? Or maybe it's something like this: you don't mutter an expletive at the alarm clock (because you already woke up at 4 a.m. and couldn't go back to sleep), pour yourself some coffee (because you did remember to set it up last night), turn on the news (nothing but traffic reports, weather updates and general mayhem) while checking emails and wondering how you've received over 25 already. Not to mention that your dog is jumping all over you because he wants to be fed.

If your routine is anything like either of those scenarios, or if you are just searching for a better way to jumpstart your day, check out the following tips.

Tune Into Your “Ikigai”

Your “ikigai” is literally the reason you get up in the morning, which is why tuning into it when you first wake up can be extremely beneficial to your mood for the rest of the day. Your ikigai, also known as your purpose in life, is a Japanese concept that combines the words “iki”, meaning life, and “gai”, meaning benefit. Taking steps toward your ikigai is easy. You can start by practicing any small habits that make you feel good, such as meditation, stretching, walking outside or performing a random act of kindness. For help finding your ikigai, answer the following questions: What do you love? What makes you happy? What gets you really pumped up inside?

Create a Soft Landing

Try to wake up naturally (without an alarm) to the natural light of the morning. This way you're not waking up to a hideous-sounding alarm causing you immediate anxiety that could remain for the rest of the morning. If that's not possible, use soft music or something more mellow and happy-sounding as an alarm. You should also set your phone to “do not



disturb” so your sleep isn't disturbed with notifications and spam emails during the night.

Get Some Fresh Air

Before opening your computer or heading out on your morning commute, take a few minutes to go outside and get some natural light — and take your dog with you. Try not to just think of this as a potty break for the dog — it's the time when you set yourself up for the day. Neuroscientists call this grounding, and you may find that this creates a very positive mindset and mood and helps you to slow down.

Water Before Coffee

Hydrating before having caffeine can be extremely beneficial as it can improve both your digestive system and metabolism (a bonus if you're trying to lose weight), reduce any heartburn and indigestion, as well as strengthen your immune system.

Make Some Moves

If possible, wake up 30 minutes earlier than usual and fit in some time to either exercise, stretch or do yoga. Stretching and exercising are beneficial for the brain and engage a brain frequency called SMR, or sensory motor rhythm, which is used all day for cognitive thinking, problem solving and more.

The Planning Zone

INFORMATION AND TOOLS TO HELP YOU BUILD YOUR FINANCIAL FUTURE

In the Know

Many people choose to continue working in some capacity while receiving Social Security benefits. However, if you're younger than full retirement age and make more than the yearly earnings limit, your benefit will be reduced. Here's how it works: if you are under full retirement age for the entire year, the Social Security Administration deducts \$1 from your benefit payments for every \$2 you earn above the annual limit (for 2023 that limit is \$21,240). In the year you reach full retirement age, they deduct \$1 in benefits for every \$3 you earn above a different limit (\$56,520 in 2023), but they only count earnings before the month you reach your full retirement age. Starting with the month you reach full retirement age, you can get your benefits with no limit on your earnings. Check out the Social Security Administration's [Retirement Earnings Test Calculator](#) for more information.

Inquiring Minds

Q: Will a 401(k) loan appear on my credit report?

A: Loans from your 401(k) are not reported to the credit-reporting agencies. However, if you are applying for a mortgage, lenders will ask you if you have such loans and they will count the loan as debt. While taking out a loan from your 401(k) may seem to have a few advantages, you'll lose out on the tax-deferred growth opportunity on the loan amount. Try to focus instead on building up an emergency savings account instead.

To-Do List

Midyear is a good time for an insurance checkup—and not just to make sure you're getting the most competitive rates. For example, it's a good idea to pull copies of your policy documents to ensure you have adequate coverage or conduct a review with your insurance agent, especially for property-casualty policies. In addition, review your retirement plan contribution rate this year (did you increase it like you promised yourself back on January 1st?) Make sure to contribute at least enough to receive the full employer match (if offered).

Financial Fitness

While higher inflation continues to be a major contributing factor toward market volatility in 2023, not everyone experiences inflation in the same way. You may find your expenses rising faster than your friend or family member in another part of the country (or slower than a neighbor or co-worker). Based on government data on inflation rates and spending patterns, Fidelity Investments identified four key factors that can make inflation different for everyone: where you live, how old you are, whether you rent or own and how much you drive. To get a more personalized inflation rate that better reflects your situation versus the national rate, visit: <https://tinyurl.com/4wyfm43t> and answer four quick questions to help you plan better.

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

HUB Retirement and Private Wealth employees are Registered Representatives of and offer Securities and Advisory services through various Broker Dealers and Registered Investment Advisers, which may or may not be affiliated with HUB International. Insurance services are offered through HUB International, an affiliate. Consult your HUB representative for additional information about the provision of specific securities, investment advisory, and insurance services.

RPW-265-0523 (Exp. 05/24)

hubinternational.com

