

Sneaky Retirement Factors

1. Thinking Retirement?

Since the Pandemic started, a lot of people have opted to retire earlier than they originally thought they would. Some have managed to stay retired and some have had to comeback from retirement. Because the retirement process can be complicated, most people are uncertain on how to make their deci-

2. Start Planning Today

I am a retirement counselor for the largest public employee retirement system in California where I retire at least 20 members per month. This experience has enabled me to learn more about the challenges people face when making their retirement decisions. Some are very meticulous with their planning, some are not. Figuring out where the income is going to come from can be the easiest part of the process. However, most of them fail to take into account for the cost of their new lifestyle, income taxes and inflation.

3. Factors You Must Consider

First, prior to retirement, you kind of have an idea of what you do every day and you have a way to estimate the cost of your lifestyle. When you retire, however, it becomes more complicated due to the fact that now you have a lot of free time available. There is no daily routine you follow and new expenditures can fluctuate on any given day. Being unaware of these costs can affect the way you will live in the future.

This bring me to my next point, income taxes. When you do not know the cost of your lifestyle, it may make you withdraw funds from your retirement plans sooner and more frequently. Not only would you pay more in taxes, but it may also make you run out of money in retirement. On average, you will be paying about 25 to 30 percent of your income in taxes. The more money you withdraw from your retirement funds, on any given year, the higher your tax bracket will be.



Adding to the already complicated decisions, you must factor in inflation. For the past months, the government has had to increase interest rates to cool down inflation, which has reached higher levels than 8 percent for the last months. Gasoline, food, and daily household supplies costs are tapping into your wallet. The higher inflation is, the more money you will need to support your lifestyle, which in turn, will make you tap more into your retirement savings to be able to keep up. It will also increase your income taxes

4. Planning Pays Off!

Retirement is complicated and it can bring a lot of uncertainties. What will help you is to create and follow a financial plan. This plan has to include knowing the cost of your lifestyle, income taxes and inflation. I can help you create and execute a plan that not only will it help you address these issues, but it will bring financial peace into your life by strategizing your resources effectively.



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