From Accumulation to Income

How Retirees Create Income Without Guesswork

For most of your working life, the goal was simple: save and invest for the future.
But as retirement approaches, the conversation changes.

As your approach the retirement transition the question is no longer *“How much can I accumulate?”*
It becomes *“How do I turn what I’ve saved into income I can actually live on?”*

That transition from **accumulation** to **income** is where many retirement plans begin to feel uncertain. Not because people haven’t saved enough, but because they haven’t been shown a clear process for turning savings into sustainable spending.

Our approach starts where many advisors overlook.

Step 1: Start With Ideas, Not Investments

Before talking about accounts, allocations, or market assumptions, we begin with a simple conversation:

What does life in retirement actually look like?

We carefully review not only your current income needs, but your future plans, hobbies, the adventures you want to take or the relaxation you want to enjoy.

With that picture in mind we are able to build a more realistic plan for retirement income.
For many retirees, income needs may be **lower than expected** due to factors like:

- No longer saving 10–15% of income for retirement
- No longer paying Social Security and Medicare payroll taxes on W-2 wages
- Potentially lower overall tax exposure

For some clients, these changes alone reduce their required income and—even more importantly—their tax bracket.

Equally, retirement isn’t simply “X+Y=Z”. Especially in the early years, income needs can be **higher** due to:

- Travel and experiences
- Visiting children and grandchildren
- Gifting and charitable giving

- RVing, camping, or long-delayed hobbies

There's no right answer—only intentional ones.

The most important step is being **deliberate about what you want your retirement to be**, not guessing at a number and hoping it works.

Step 2: Dream First, Then Work Backward

Once we establish what retirement looks like on purpose, we work backwards.

That includes:

- Estimating Social Security benefits and discussing efficient claiming strategies
- Factoring in pensions or other known income sources such as Real Estate or Royalties
- Identifying how much income must come from retirement accounts

This lays the groundwork to prioritize your sources of income to potentially save on taxes, maximize estate planning, and most importantly reduce uncertainty.

Step 3: The "War Chest" — Protecting Your Retirement Date

Many advisors stop here and default to a generic portfolio split.

We do something a little different.

The Retirement War Chest

Your **war chest** is designed to help ensure:

- The retirement date **you choose** isn't dictated by the market
- Income for the near term isn't dependent on short-term volatility

The first phase typically includes:

- CDs and other guaranteed vehicles
- Money markets and short-term Treasuries
- Other Cash holdings earmarked specifically for income needs

This portion is intended to cover **one to two years** of required withdrawals.

Because there's nothing worse than postponing Yellowstone, canceling Cabo, or rethinking Paris because the market decided to throw a temper tantrum.

Step 4: How Much Stability Helps You Sleep at Night?

After the initial war chest, we assess something just as important as numbers:

How much predictability do *you* need to feel comfortable?

For someone with strong guaranteed income—pensions, Social Security, or steady real-estate cash flow—that buffer may be as low as **one year**.

For others, it may be **three, four, or even five years**.

That portion is typically aligned with:

- High-quality bonds and notes
- Preferred securities
- Other income-oriented, historically more stable holdings

This layer is built to help weather longer market cycles—without forcing uncomfortable decisions during downturns.

Step 5: Growth Still Matters—Because Inflation Never Retires

Here's the part most retirees know instinctively:

- **The biggest need in retirement is income**
- **The biggest concern is inflation**

Dollars that don't keep pace with inflation lose purchasing power over time.

Retirement isn't the time to hang up the hat with equites. After we establish your war chest amount and your cash buffer we will use our established process to find and invest in high quality companies with a history of consistent growth.

Step 6: A Spending Range for flexibility and accountability

Everyday I meet natural spenders and natural savers, and it is important to note that **neither** of them is wrong. The happiest people I see in their retirement learn to be concerned less about how much or how little they're spending, but the joy that comes from it. We focus more on **spending intentionally**.

We establish a **spending range** and review it regularly:

- Spending **above** the range for extended periods may increase the risk of eroding principal
- Spending **below** the range for too long may mean you're not fully enjoying the retirement you worked for

This is a conversation many advisors don't have, but it is important to keep balance on both sides of the scales.

Step 7: Giving

Dave Ramsey likes to say the most fun you'll have with money is giving it away. Whether you are charitably inclined or not, one fact remains true: **you can't take it with you when you go.**

That's why having a defined **spending, saving, *and* giving plan** is such an important part of retirement planning.

For some families, giving means helping children or grandchildren get a head start—through tools like **529 education plans**, structured gifts, or custodial accounts when appropriate. For others, it may mean supporting causes that reflect lifelong values, such as **animal welfare, conservation, faith-based organizations, or community nonprofits**.

Many retirees also explore strategies like:

- **Donor-advised funds** to simplify charitable giving over time
- **Trust planning** to pass assets efficiently and intentionally and allow continued control after passing
- Coordinated gifting strategies to reduce the impact of future estate taxes
- Creating a legacy that reflects what mattered most to them, not just what they earned

We work closely with your **estate attorney and CPA** (or make a recommendation if you don't have one yet) to ensure any giving strategies are implemented in a thoughtful and tax-aware way. Just as important, we focus on making sure your generosity is **intentional** (a pattern may be emerging here) aligned with your values, and fits comfortably within your overall plan.

Giving isn't about numbers on a spreadsheet, it's about **impact**. Done well, it can be one of the most meaningful and fulfilling parts of retirement.

Bringing It All Together

When your plan includes:

- A clearly defined retirement vision
- A structured income strategy
- A purpose-built war chest
- A thoughtful balance between stability and growth

You don't just have investments.

You have a **plan**.

And that plan helps bring confidence—not only to your numbers, but to your spending, your giving, and the life you want retirement to support.

Now, the only sales pitch you will receive, so enjoy it.

If you're **within five years of retirement** and want to better understand:

- How income may change after work ends
- How different income sources fit together
- What a structured retirement income plan can look like

We offer a **no-cost, no-obligation conversation** designed to help you get **clarity**, not a sales pitch for the next hot product.

While we work with people with all levels of retirement savings, Our retirement income planning process is typically best suited for individuals and couples who have accumulated **approximately $250,000 or more in retirement savings**, as this allows us to meaningfully evaluate income strategies and long-term planning options.

📞 **Schedule a no-cost consultation**
📧 Or contact us directly to start the conversation

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