

# Are You Afraid of Outliving Your Money?

Do you worry about running out of money during your retirement years? If so, how can you help prevent this from happening?

In the first place, if you have this type of fear, you're far from alone. Consider this: 58% of retirement savers from all age groups, including current retirees, say that outliving their assets is their greatest retirement fear, according to a study by Cerulli Associates, a financial services research organization.

This type of fear can certainly affect your quality of life when you retire. Still, there's no need to panic — because you can take steps to help prevent the running-out-of-money scenario.

Here are a few to consider:

- **Know how much you'll need during retirement.** You need to get a clear picture, or at least as good an estimate as possible, of how much money you'll need to support your retirement lifestyle. Once you do retire, some costs, such as transportation or other work-related expenses, might go down, while others — medical expenses, in particular — will likely go up. The fear of running out of money, like many fears, is caused largely by what you don't know, so having a good sense of how much you'll need in retirement can help reduce your anxieties.

- **Build financial resources before retirement.** You're probably at your peak earning capacity in the years close to your retirement, so consider contributing as much as you can afford to your IRA and 401(k) or other employer-sponsored retirement plan.

- **Maximize your Social Security payments.** You can start collecting Social Security as early as 62, but your monthly benefits will be larger if you can afford to wait until your full retirement age, between 66 and 67. (Payments will “max out” at age 70.)

- **Reenter the workforce.** Going back to work in some capacity is one way to possibly help build retirement resources and delay taking Social Security. If you have a particular area of expertise and you enjoyed the work you did, you might be able to go back to it on a part-time basis or do some consulting. You could boost your cash flow and potentially extend your contributions to an IRA and to an employer's retirement plan.

- **Cut costs during retirement.** Possibly the biggest cost-cutting measure is downsizing. Are you willing and able to move to a less expensive area or scale down your current living space? Of course, this is an emotional decision as well as a financial one, and downsizing isn't for everyone, but it might be something to at least consider. As for the lesser ways of reducing expenses, take advantage of senior discounts, which are offered in many areas, including entertainment, public transportation, restaurants and retail establishments. And look for other opportunities, such as cutting out streaming services you don't use.

- **Look for more income from your investments.** As you get closer to retirement, and even when you do retire, you might want to adjust your investment portfolio to provide you with more income-producing opportunities. However, even as a retiree, you'll want some growth potential in your investments to help keep you ahead of inflation.

Ultimately, the more you can bolster your financial security before and during retirement, the less fear you may have of outliving your money.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.*

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