

SPECIAL REPORT:
Make Yourself Retirement Ready
Thoughtful consideration at least five years out can make a difference in preparing yourself financially and mentally.



Having retirement on the horizon is an exciting time, but it's also a major life change requiring broad preparation.

The transition of winding down your career and embarking on your next phase can bring about anxiety for individuals who have spent most of their working life constantly in demand and now may have to downshift to a different pace of life. A new focus for your energy is needed: Some may find it through travel and family. Others may decide to start a new venture or serve on nonprofit or corporate boards. The options are endless.

In anticipation of retirement, many of us have set a financial goal—a mark on the wall, so to speak—to aim for in building wealth and achieving the dreams that wealth affords. To meet that mark, it can be helpful—at least five years out—to create a checklist of key financial, health care, and lifestyle decisions you should be addressing in these last critical working years.

It can sound so simple, yet a surprising percentage of America's workforce, reportedly about one-quarter, have not given their retirement much thought. Your preparations in these areas can help ease the transition into a successful and satisfying retirement.

Transitioning to Retirement Income

The last few years leading up to your planned retirement don't allow much room for mistakes, as any lost earnings won't have significant time to recover. It's also when solid planning for your transition from peak earnings to wealth decumulation can help to minimize surprises and tax liabilities.

Retirement Checklist

- ✓ **INCOME:** In the run-up to retirement, it's important to focus on maximizing savings, including retirement plans and catch-up contributions. Also review pension or stock option provisions through your company, weigh the tax benefits of potential Roth conversions, and consider when to begin taking Social Security benefits.
- ✓ **TAXES:** Calculate your expected rate of withdrawal from savings in retirement (from tax-deferred versus taxable accounts) as an approximate guide to your potential federal tax bracket. While you can throttle up or down some income, required annual withdrawals from some accounts are sometimes beyond your control and can complicate your tax situation.
- ✓ **INSURANCE & HEALTH CARE:** Life and health insurance can provide a measure of income protection and can be incorporated into your financial planning. Life policies, for instance, may not seem necessary later in life but can be utilized to assure that something is left for beneficiaries or to pay off any taxes due from your estate. You also may be able to combine a permanent life policy with a long-term care policy for health needs, which can be one of the biggest expenses as we age. Self-funding of health care can offer greater control over your assets, though your family health history and rising costs for care may steer you toward a hybrid insurance option.
- ✓ **MENTALLY PREPARE FOR YOUR THIRD ACT:** In storytelling, the third act often is a turning point for a character's growth. In retirement, your third act can involve stepping back from deadline-driven work days to days where you now set the pace. Will you take to heart the "retire" portion of "retirement" and slow down your lifestyle? Or will you continue to look for ways to deploy your time, talent, and treasure?

Retirement Age Mileposts

59

is the average age at which Generation Y (born between 1981 and 1996) plans to retire.

60

is the average anticipated retirement age for Generation X (born between 1965 and 1980).

68

is the average age Baby Boomers (born between 1946 and 1964) plan to continue to work.

65

is generally when retirees are eligible for Medicare.

67

is when most of today's retirees can start receiving their full Social Security benefit.

This information is according to a [CNBC article](#) describing a Natixis Investment Managers study analyzing when Americans intend to retire.

Picture Your Ideal Retirement Life, And Leave Time to Adjust Your Plans

Are you staying put in your home or moving? How do you hope to fill your days? More importantly, have you prepared a budget to know how much this lifestyle will cost, and determined at which point—financially—you can consider scaling back or leaving your current job?

Starting your planning early enough to accommodate adjustments due to lifestyle choices or economic conditions can be crucial to seeing your retirement dreams come to fruition.

Nearing retirement, your budgeting will require more accurate fine-tuning that takes into account your various income streams, including investments, retirement accounts, pensions, Social Security, rental income, and dividends.

Here are some considerations for your budget (and keep in mind, a financial advisor can help you sort through these decisions):

- What will be your retirement withdrawal rate?
A withdrawal rate of 3% to 5% is often generally considered a safe starting point, but it can vary depending on your goals and circumstances. The withdrawal rate generally will be the amount of funds you use in the first year of retirement. Subsequent years typically would use the same dollar amount but will be adjusted for inflation.
- How will you determine which investments to draw down each year (for example, from tax-deferred versus taxable accounts)?
- How do you guard against having to sell investments in a down market?
- Do you wish to invest in future generations?

What Annual Expenses Are Expected?

Clarify whether expenses are fixed (e.g., mortgage, other loan, or insurance payments) or flexible (e.g., travel, groceries, entertainment, or filling up the car). Also consider the impact of inflation on expenses and the purchasing power of your savings over the coming decades.

Be realistic about the amount you will need to fund retirement, and how long you will need it for. The average life expectancy for U.S. women and men is 81.7 and 76.8 years, respectively, according to projections from the Social Security Administration. While you can never know with certainty how long your retirement will be, you can estimate it based on known factors such as family longevity and health.

Calculating expenses can be a particular concern if one spouse is considerably younger but both retire at the same time, because the savings will need to last for the younger spouse's lifetime. An option in this instance could be for the older spouse to delay claiming Social Security to maximize the benefit over your lifetime. (The Social Security Administration website can provide an [estimate of your monthly benefit](#).)



A Closer Look at Your Bills

Recognize that your needs may change as a retiree: Typically, lifestyle expenses are higher and health care spending is lower early in retirement before generally swapping positions later in life. You may be surprised that while some expenses recede, others can emerge, and the overall amount spent may not vary significantly. Planning out expenses can help you prepare.

- **Home.** Paying off the mortgage of a high-value property can reduce your biggest potential expense. But home-related expenses can increase again when home improvements and upkeep are factored in, along with ongoing expenses such as property taxes, insurance, and utilities.
- **Health care.** Your needs are likely to increase with age.
- **Daily living.** Regular expenses, such as groceries, household supplies, and transportation will continue. If you enjoy cooking and treat every day as a weekend day, food costs may rise as you indulge your family with more expansive meals. Or you may eat out more or take up new hobbies, which also could see increased costs.
- **Travel.** Journeying away from home is important to about two-thirds of Americans aged 50 and older, according to a poll by RBC Wealth Management. Generally, retirees tend to spend 5% to 10% of their annual budget on travel.
- **Helping hand.** Your legacy planning may include helping with ongoing care, schooling, or other assistance, maybe even watching over the grandkids or elderly parents. Determine how much support you can comfortably provide and for how long.
- **Inflation.** Anticipate that your costs will likely rise each year. For proof, look no further than the Consumer Price Index, which measures the average change in price over time of a market basket of consumer goods and services. It's gone up every year for the past three decades, with the exception of 2009.



- **Pros and cons of eliminating debt.** Finally, if you have sufficient assets available, should debt elimination even be your primary goal? The decision will vary with your financial goals and comfort level.

POTENTIAL BENEFITS OF REDUCED DEBT:

- ✓ Limit a potential financial burden during market downturns, when you may need to withdraw money from investment accounts while their value is lower to meet debt obligations
- ✓ Reduce interest rate risk
- ✓ Increase cash flow availability

WHY HOLDING SOME DEBT MAY NOT MATTER TO YOU:

- ✓ Paying off significant debt could limit liquidity
- ✓ Withdrawing a large amount from investment or tax-deferred retirement accounts to close a debt could temporarily nudge you into a higher tax bracket
- ✓ Consider the opportunity cost of paying off debt versus putting that payment to use for income-generating purposes
- ✓ A debt with a low interest rate may be a reasonable financial decision

Strategies To Maximize Retirement Income

Is a conservative portfolio the best option in retirement? Your investment portfolio may perform best when it balances conservative and growth investments, because diversification can help you play both offense and defense amid different market conditions. It also should match your risk tolerance and goals.

Generally, a rebalancing of your portfolio can be useful at least once a year, but this review should also consider the impact of any fees or tax implications related to the adjustment.

Sequence of returns risk. The risk of a market downturn just as you are about to begin taking withdrawals is a danger that can be tempered by planning ahead. Retirees in this predicament, known as a sequence of returns risk, face the threat of running through their savings far earlier than if a downturn occurred later in retirement. This is due to the fact that, as your portfolio loses value, generally more of it must be sold to maintain your cash needs, leaving less available to grow during future recoveries.

A strategy to combat a sequence of returns risk is to maintain one to two years of cash, or cash flow, on hand

to see you through a downturn, helping to limit the need to sell investments at a loss.

Consolidate retirement accounts. If you have changed employers multiple times, you may have several employer-sponsored retirement accounts to monitor. Consolidating several accounts into a new account may be to your benefit if it can lower administrative fees, simplify finances, and make it easier to prepare taxes. On the flip side, not all accounts have the same investment choices, so take the time to compare all the options.

An advisor can review your accounts and their associated fees and investment selections to help you determine which to keep as is and which to consolidate.

Contributions and catch-ups. Retirement account owners who are age 50 or older at the end of the calendar year can benefit from annual catch-up contributions. The idea is to help make up for past years that you didn't save a higher amount. The Internal Revenue Service (IRS) generally updates contribution limits each year for [Individual Retirement Accounts \(IRA\)](#) and [401\(k\) and profit-sharing plans](#).

Required Minimum Distributions

Upon turning age 73, you generally must begin taking Required Minimum Distributions (RMDs) from traditional retirement plan, IRA, SEP IRA, and SIMPLE IRA accounts by April 1 of the following year. These distributions are taxed upon withdrawal because they are funded with tax-deferred dollars. Roth accounts, on the other hand, are funded with after-tax dollars; qualified withdrawals are not taxed, and Roth accounts have no RMDs during the owner's lifetime.

Can You Hold Too Much of a Particular Stock?

Someone who has created substantial wealth, perhaps through a concentrated investment position, may be inclined to worry about potentially missing out on future higher returns if they are encouraged to consider a more balanced approach in their portfolio.

A portfolio can become concentrated in instances such as receiving a large amount of your company's stock over several years, choosing to further invest in a high-performing stock, or not rebalancing a portfolio for a number of years.

Consider the multitude of external events that could impact a concentrated investment: legislative, regulatory, industry, economical, or an issue with your company's products or services. Portfolio recovery (the length of time it takes to recover from a large loss) is also something to consider.

Your exposure can be heightened further by the fact that your salary and benefits before retirement are also tied to the company's health.

Choosing to diversify from a concentrated position is just the start. Other considerations include the financial and tax implications of selling one investment to buy another, as well as what to reinvest in. Your advisor can suggest options that coincide with your risk tolerance and goals.

Stock Options: Vesting Provisions and Taxes

A compensation package from an employer may include stock options that vest after a pre-determined number of years, and there are some variables in determining their place in your long-term financial plan:

- **Value.** If your options are with a private company, valuing and selling them can be difficult. The options may also lose value if the company's growth is not up to expectations.
- **Timing.** If the options are an integral part of your retirement plan, will the vesting date help determine your retirement date? Also consider the impact of potential shifts in the market, such as exercising your options and subsequently watching the share price decrease. Is it to your benefit to stomach a potential loss over the short or long term?
- **Taxes.** Determine whether you have received incentive stock options (ISOs), available only to employees, or non-qualified stock options (NSOs), which can be given to non-employees like directors and vendors. The main difference is how they are taxed. NSOs are generally treated as ordinary income when you exercise your options. Upon sale, you are taxed on any increase in value, with the tax rate depending on your holding period. On the other hand, ISOs may fall under the alternative minimum tax, a more complex, but also a potentially more favorable, tax treatment.



Pensions: Monthly Lifetime Payments vs. Lump Sum?

Defined benefit pension plans are a fading benefit for most Americans and are available to only about one in 10 private sector workers. If your compensation package includes a pension, the choice becomes whether to receive monthly payments over your lifetime versus a lesser lump sum.

- **Monthly payments.** Provides a steady income stream until you die and can include continued payments for a surviving spouse. Also, regular monthly payments reportedly helps retirees [maintain a more consistent spending level](#) five years after retirement compared to the spending of individuals without regular monthly income from pensions, investments or other sources. If you don't need the money right away and believe you'll be in a higher tax bracket in future years, you could choose to steer the payments to a Roth IRA; you'll pay taxes now, but the withdrawals of contributions will be tax free.

The monthly option is not without risk. For example, payments could be disrupted if the pension administrator goes bankrupt or your employer suffers financial distress. However, the Pension Benefit Guaranty Corporation ("PBGC") insurance covers a large number of private-sector plans. (Ask your employer whether your plan is with PBGC. For 2026, joint and 50% survivor annuity plans for those age 75 are protected for monthly payments up to [\\$21,312.81](#). That amount is determined using a formula tied to the Social Security index and can change annually.)

- **Lump sum.** This option provides greater flexibility to spend or invest the payments as you wish. However, with life expectancies increasing, there is a risk of outliving your lump sum payment. Also, the total value of a lump sum may be less than the potential value of monthly payments over a lifetime.

A lump sum generally is considered ordinary income for the year it is received, and the tax consequences could be significant.

Choosing When to Take Social Security

Retirees are eligible to apply for benefits as early as age 62, but the benefits will generally be about 30% less than if taken at full retirement age (FRA), when 100% of the benefit is available. Waiting a few years more past FRA can increase the benefit amount by 8% for each year, up to age 70.

The maximum annual amount in 2025 for someone who begins taking benefits at age 70 is a little over \$61,000 annually.

Retirement Ages for Full Social Security Benefits

If you were born in...	Your full retirement age is...
1954 or earlier	You've already hit full retirement age
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Source: Social Security Administration

Tax awareness comes into play because 85% of benefits are taxable above combined annual income thresholds of \$34,000 for single filers and \$44,000 for married filing jointly.

Related publication:

AMG's "Social Security and Retirement" explains how these benefits can impact your retirement. Your AMG advisor can provide a copy.

Planning Ahead For Taxes

Taxes and health care costs may be two of the biggest drains on wealth in retirement, perhaps because both seem largely unavoidable.

Most of us have to pay at least some taxes to federal, state, or local governments. Property taxes are typically due on your home and any other property you own. Net investment income tax (NIIT) also applies to individuals, estates, and trusts with net investment income above certain thresholds.

To some extent, though, you may be able to manage income and deductions to attempt to stay within a certain tax bracket.

Calculating your expected rate of withdrawal from savings in retirement can be an approximate guide to your potential federal tax bracket. For instance, if your financial plan calls for you to make annual withdrawals of 4%, figuring that amount in dollar terms can help provide a rough estimate of taxable income.

2026 Tax Brackets and Federal Income Tax Rates

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of House-holds
10%	\$0 to \$12,400	\$0 to \$24,800	\$0 to \$17,700
12%	\$12,401 to \$50,400	\$24,801 to \$100,800	\$17,701 to \$67,450
22%	\$50,401 to \$105,700	\$100,801 to \$211,400	\$67,451 to \$105,700
24%	\$105,701 to \$201,775	\$211,401 to \$403,550	\$105,701 to \$201,775
32%	\$201,776 to \$256,225	\$403,551 to \$512,450	\$201,776 to \$256,200
35%	\$256,226 to \$640,600	\$512,451 to \$768,700	\$256,201 to \$640,600
37%	\$640,601 or more	\$768,701 or more	\$640,601 or more

Source: Internal Revenue Service

Options For Managing Taxes

These should be discussed with your advisor as part of your broader financial plan:

- **When do you have to take RMDs?** Traditional IRAs and 401(k)s and some other retirement accounts are tax deferred, meaning they generally won't be taxed till withdrawal. While you can begin to take penalty-free withdrawals at age 59½ (if the account has been open at least five years), the clock on Required Minimum Distributions (RMDs) begins ticking at age 73. Also note that as your age increases, the annual RMD from those accounts grows larger (you can make a rough calculation of annual RMD amounts [here](#)).

Working beyond age 73 can allow you to delay having to take RMDs if you continue to contribute to a 401(k) through your employer. However, this generally works only for the 401(k) at your current employer.

- **Consider a Roth account.** Roth accounts are funded with after-tax dollars. Withdrawals of contributions are generally tax-free and penalty-free, because you've already paid taxes on those funds. Distributions of investment gains in Roth accounts generally may be tax and penalty free at age 59½ so long as the account has been open at least five years. Unlike with traditional accounts, RMDs are not required from Roth accounts during the original owner's lifetime.

When choosing to convert a traditional IRA or 401(k) to a Roth version, you essentially are betting that you will be in a lower tax bracket on the day of the conversion

than you would be years from now. However, taxes will be owed on converted funds in the year of the conversion. Converting a portion of an account each year rather than the entire account can help reduce the tax burden.

- **Qualified charitable distributions.** Upon reaching age 70½, a qualified charitable distribution allows individuals to distribute up to \$100,000 per year, indexed annually for inflation (\$111,000 in 2026), from an IRA to qualified charities and foundations. QCDs can count toward satisfying RMDs for the year. (Note that a QCD can be utilized before age 73, when RMDs from traditional retirement accounts must begin.)

Rather than qualifying for an income tax charitable deduction, a QCD gift generally avoids income tax liability on the transfer.



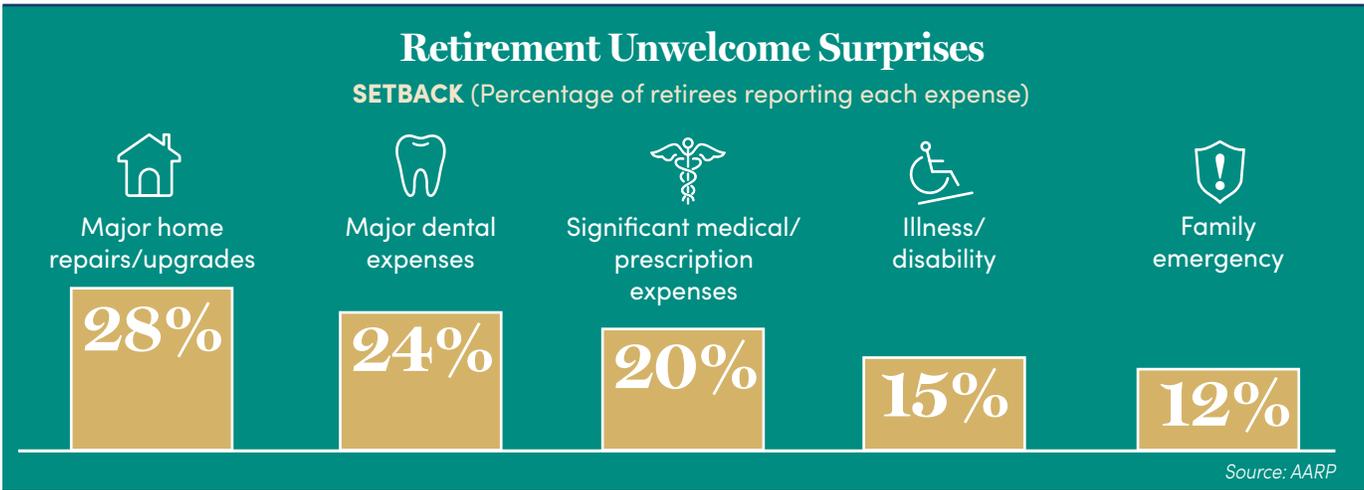
- **Move to a state with lower or no income tax.**

This decision is not meant to be taken lightly, but staying in a high-tax state because of the job opportunities there during your working career does not mean you have to continue to live there in retirement. Looking at U.S. Census Bureau data, the biggest population gainers in 2020 and 2021 were Texas and Florida, at the expense of higher-tax states such as California, New York, and Illinois.

States With No Income Tax

- Alaska
 - Florida
 - Nevada
 - South Dakota
 - Texas
 - Washington
 - Wyoming
- New Hampshire and Tennessee also currently don't have income taxes for earned income.

While lower income taxes can be enticing, look at the whole tax picture for that state, including estate and inheritance taxes, wealth taxes, and rules regarding trusts and estate administration. Also determine whether you'll be paying for lower income taxes in other ways, for example, with higher sales, property, or fuel taxes. Finally, understand the requirements to establish residency in a state.



Reevaluating Insurance

Insurance, particularly life insurance, offers income protection when your family is still growing, but it may not be as essential as you near retirement. However, a permanent life policy may make sense in planning retirement income. For instance, a loan taken against the policy’s cash value may not be taxable so long as the policy remains in force, and it can be an alternative to withdrawing money from retirement accounts in a down market.

For legacy planning, a permanent life policy enables you to spend down savings and investments but still leave something for beneficiaries. The death benefit also can be used to pay off any taxes due from your estate.

You also may be able to combine a permanent life policy with a long-term care policy for health needs.

For a homeowner or auto policy, check whether your insurer offers discounts above a certain age. Note that high-net-worth individuals tend to be underinsured regarding property and liability insurance.

While a wealth manager or other advisor can point out areas of potential property or personal liability as part of your financial plan, typically only licensed insurance agents or brokers can discuss specific policy coverages, costs of coverage, or recommend insurance products.

The Challenge of Health Care Costs

Health care can be one of the biggest expenses in retirement, and also one of the most unexpected.

The Bureau of Labor Statistics estimated the cost of premiums, copays, and out-of-pocket expenses in 2023 to be nearly \$7,000 for Americans age 60 and older enrolled in Medicare, while two-thirds of people in that group expected the cost to be about half that.

Another estimate suggests that the average retired couple age 65 in 2023 will need to have put aside more than \$300,000 for anticipated health care costs over the rest of their lives. On top of that, the Centers for Medicare & Medicaid Services projects that national health spending will rise at an average annual rate of 5.6% through 2032.

Whenever You Retire, Prepare for Medicare

Turning 65 generally means you are eligible to enroll in Medicare, the federal health insurance program that offers some coverage for hospital or nursing home care (Part A), physician and diagnostic services (Part B), and prescription drug coverage (Part D).

What happens if, like many high-net-worth individuals, you retire early, say at age 55? If there’s no continuing health coverage through your or your spouse’s employer, you can look for coverage through private or government health insurance marketplaces before being eligible for Medicare at age 65.

Medicare is not mandatory, but not utilizing the enrollment period (the three months before and the three months after your 65th birthday) can lead to significant financial penalties if you choose to seek coverage later.

Long-Term Care

On average, there’s nearly a 70% chance that an individual will need some type of long-term care (LTC) at age 65,

Related publications:

“Begin Planning for Medicare Before You Turn 65” and “Filling The Gaps in Your Medicare Coverage” can help you navigate the health care options. Your AMG advisor can provide a copy.

according to statistics from the U.S. Department of Health & Human Services, last modified in 2020. While most of us experience gradual aging, sudden long-term care needs can arise, such as results of a heart attack, stroke, or a major bone fracture. Additionally, [Alzheimer's disease and dementia](#) are on the rise, currently affecting almost 7 million Americans over age 65, or about 1 in 9.

The level of care needed can range from having a family member or skilled caregiver in your home to moving into a specialized facility. The cost can be significant and will vary based on the [state where you reside](#).

Annual Median Cost of Care

Category	2024 Cost*	2018 Cost**
Home Health Aide ¹	\$77,792	\$50,336
Assisted Living Facility ²	\$70,800	\$48,000
Nursing Home Semi-Private Room ³	\$111,325	\$89,297
Nursing Home Private Room ³	\$127,750	\$100,375

*Genworth Cost of Care Survey, 2024

**Genworth Cost of Care Survey, June 2018

¹Based on 44 hours per week by 52 weeks

²Based on 12 months of care, private, one bedroom

³Based on 365 days of care

How Will You Pay for Care?

Your choices can be related to financial preparations made years in advance or may be influenced by health concerns more recently.

Self-funding

This option may appeal to wealthy individuals able to use their resources to pay out of pocket for their health expenses because it leaves them in control of their assets, such as deciding how to deploy the money that might otherwise go toward insurance premiums. However, it also can require comprehensive planning to anticipate future costs that include annual checkups, deductibles, prescriptions, and emergency room visits or hospital stays.

A note of caution too: Weigh the annual cost of insurance against your current health and family history and the likelihood of needing extensive health care as you age.

A hybrid insurance option may be more to your liking. For example, selecting a low-premium, high-deductible policy from a private insurer and utilizing the assets from an investment account, Roth retirement account or Health Savings Account for out-of-pocket costs provides a measure of control over spending. High-net-worth

retirees already receiving Social Security could dedicate some or all their monthly benefits toward health costs.

Health Savings Accounts

A Health Savings Account (HSA) is a way to cover health care costs, but it also can be a valuable tool for retirement savings. Money in your HSA offers a triple tax advantage in that contributions are tax deductible, appreciation is tax-deferred, and spending is tax-free if used for qualified medical expenses—including for long-term care (and the amount allowed for long-term care increases as you grow older). At age 65, the money becomes eligible for non-qualified medical expenses, though the withdrawals for non-qualified uses would be subject to ordinary taxes.

After age 65 and if you are enrolled in Medicare, contributions to your HSA must be discontinued.



Long-term care insurance (LTCI)

Traditional, private health insurance generally does not cover assisted-living care, though providers may cover some medical services within such a facility. An alternative is long-term care insurance that provides an established level of benefits, for instance, a maximum benefit of \$300 per day for 365 days.

Policies have evolved similar to some life, home, or auto policies—you can generally get as little or as much coverage as you choose. The level of coverage and your age are among factors that determine the monthly premium in order for the insurer to be compensated for rising costs and Americans' longer lifespans.

For example, the average annual premium in 2026 for a single male at age 55 starting around \$900 for a \$165,000 benefit, and \$1,500 for a single female, with a discount for married couples. By age 65, the average annual premiums rose to \$1,700 and \$2,700, respectively.

Related web post:

[How Will You Pay for the Long-Term Care You're Likely to Need?](#)

Hybrid life insurance with LTC rider

Those uncomfortable with either using it or losing it may prefer the option of a permanent life policy with an LTC rider. The hybrid portion of the policy would be used to pay for LTC, or a death benefit may be an option if the LTC portion is never needed. However, the cost may be greater than for an LTCI, and the overall benefits may be less.

Mentally Prepare for Retirement

Finances generally take center stage in retirement planning, but the mental and emotional challenges of having your formerly full, deadline-driven days suddenly give way to more free time deserve equal consideration.

The same advice from the financial side applies to your well-being: Retiring without a plan is not a plan. Surprisingly, 57 percent of retirees often do just that by neglecting to consider how to maintain their mental well-being during the transition to retirement, according to AARP. Will you be looking for new outlets for your time that can bring a sense of accomplishment and contribution? Otherwise, you may have a higher risk of being financially comfortable but emotionally and psychologically unfulfilled. Physical health can also be affected. Planning for your well-being can help [prevent depression](#), as well as symptoms of dementia and hypertension, according to the American Psychological Association.

Tips to Avoid Depression

- Develop and maintain new routines
- Exercise regularly
- Travel
- Make time to rest
- Include some healthy options in your diet
- Find a hobby or learn a new skill

Stay Active to Prevent the Days from Becoming a Daze

Develop an understanding of who you are without your job, and plan how you want to deploy your time, talent, and treasure in your post-working years. Your plan doesn't have to be as rigid as a work schedule, but having some structure in your day can promote social connections and good health.

While your advisor can't decide things for you, he or she can help you explore personal considerations and community interests that may be appealing.

- **Where do you see yourself living?** Who are you with? Proximity to family members or a circle of friends is important, as is the weather wherever you might end up. Do you see yourself maintaining a home base and traveling, or having multiple homes that support more full-time travel?
- **How will you fill your days?** Will you volunteer, serve on boards, or start a new business? Understand that retirement does not have to be a one-way door. You can always go back to work or join a mentorship program that allows you to stay active in the field you like. Or you might try something new by volunteering in a role that's completely opposite to your career. It's also important to realize that becoming bored with a volunteer program, hobby, or anything else is not uncommon. If you're not enjoying it, try something else.
- **Would philanthropy and family mission be rewarding?** The wider impact of contributing to community also has benefits that fall closer to home, including a sense of engagement and purpose that aids your overall health while also establishing a family legacy.

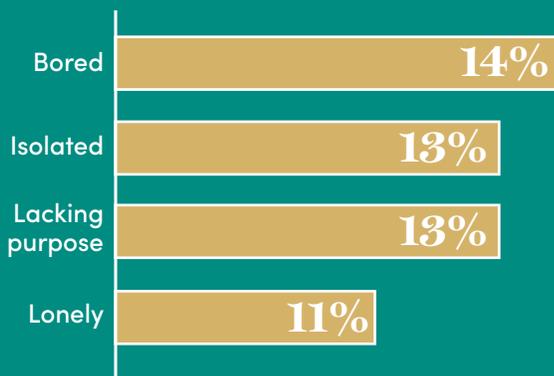
It also turns out that human brains may be hard-wired for generosity. Giving to others tends to light up the brain's reward centers, according to a Northwestern University Medical School study.

Related publication:

["How Will I Be Remembered?"](#) What are some ways to use your wealth to create opportunities for the people and causes that are important to you?

- **What interests will keep you active and engaged?** Find communities of old and new friends who share your interests. These can be groups set up for walking, biking, museums, volunteering, socializing at restaurants, and vacations

Negative emotions among retirees



Source: *Planning for a Successful Retirement, For People of All Ages* (aarp.org)

to places you've never had time to visit. To emphasize the importance of engagement, consider the number of people you have interacted with daily throughout your working career, where the back and forth and the problem solving undoubtedly are satisfying. These kinds of connections remain important in retirement.

- **Disabled or face physical limitations?** Use technology to stay in touch through “communities” and online courses as a way to develop new skills and interests.



Conclusion

Planning your lifestyle goals in retirement can involve essential decisions, such as assessing how income and expenses may change, along with calculating your potential federal tax bracket. In addition, your health care needs are likely to become a larger expense as you age, but you can utilize life and health insurance to provide a measure of income protection. It's crucial to get the financial pieces right, because you likely won't have much time to make up for mistakes.

Finally, will you be mentally prepared to step back to a less deadline-driven lifestyle, or do you prefer to find new ways to fill your days that share the talents you've built up over your career?

For More Information

To learn more about retirement planning and wealth management at AMG, call 800-999-2190 or [email](#) with the best day and time to reach you.

DISCLOSURES

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