

A hand holding a pen is positioned at the top right, as if about to write on a jar. The jar is labeled 'RETIREMENT' and is surrounded by several stacks of coins. The background is a dark teal color.

# A Guide to Managing Your *Retirement Finances*

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KENDAL<sup>®</sup>  
*at Oberlin*

*You've retired.* All that money you worked so hard for is stashed away into the proper mix of investments, so you never have to worry again.

*Are you sure about that?*

Retirement marks the beginning of a new chapter in life — one that can be filled with growth, discovery and freedom. Achieving the peace of mind to enjoy this phase to its fullest, however, hinges on the effective management of your retirement finances.

Whether you're just stepping into retirement or you've been navigating these waters for some time, a sound financial strategy is vital to ensure that your savings last and your lifestyle remains secure.

This guide is designed to equip you with the essential knowledge and tools to manage your retirement finances with confidence.



## Live Comfortably for the Rest of Your Life

So if you've retired or are looking forward to doing so in the next few years, how do you ensure you can support your lifestyle?

### Be Prepared for Retirement

If you've not yet retired, follow these [3 tips](#) to prepare:

1. Set your retirement goals. What do you want to do when you retire?
2. Assess your current financial situation.
3. Calculate how much more you'll need to reach your retirement goals.

The most difficult part, of course, is saving enough to meet all of your future needs and wants. Hopefully, you've been saving and investing throughout your working life with the goal of happy and comfortable retirement years.

If you've already retired, go through the above steps on an annual basis to ensure you're still on track to meet your future financial goals.



## Assess Your Financial Health Annually

Check with your financial advisor annually and preferably before tax season to assess your financial health. Some of the [questions you should ask include](#):

- How would you rate my overall financial health – excellent, good, fair, or poor?
- Have my investments “gained” or “lost” value over the past year?
- Any red flags and trouble spots on the horizon?
- Should I make any changes?
- What’s the bottom line?

If you consistently assess your finances each year, you’ll discover trouble before it happens. You’ll also notice if your income isn’t keeping up with your expenditures and be able to adjust accordingly. This will give you the opportunity to rebalance your asset allocation or make other necessary changes.

Read your monthly investment statements religiously. If you don’t understand them, and your financial advisor doesn’t explain them to you adequately, call the [Financial Industry Regulatory Authority](#) at 844-574-3577 for help. They will not only explain your financial statements, they can help you determine if your financial advisor is behaving ethically.



## Don't Depend on Your Home Equity

Your home equity can shelter you from reversals via a home equity line of credit, reverse mortgage or outright sale (assuming another housing bust does not occur). It can also save money that would otherwise go toward rent.

However, other costs come with owning a home. If you still have a mortgage, you could be depleting your assets faster than you would otherwise. You're likely paying more for insurance, taxes, major appliance repair/replacement, and maintenance than you would if you owned a smaller home or rented. You're probably also spending a substantial amount of time on mowing the lawn, shoveling snow, and making minor repairs.

Ask yourself the following questions when considering whether your house is suitable for your retirement lifestyle:

- Is your home going to be safe, or can you make it safe if your eyesight, hearing or balance deteriorate?
- If your house has more than one level, do you really want to have to trudge upstairs to your bedroom or navigate the stairs to do laundry?
- Is it more difficult to cook for just you or for you and your spouse?
- Are you able to keep up with cleaning and maintenance?
- Is your home accessible to mass transit?
- If you want to travel, do you have someone to take care of your home while you're away?

If you answered “no” to any of the above questions, you may want to reconsider holding on to your house.

Make it a practice to assess the pros and cons of owning your home on an annual basis. Your needs will likely change with time. If the cons outweigh the pros, consider the numerous options available to you. Those options may include downsizing to a smaller home, renting an apartment, or moving to a retirement community.

## Who Will Speak for You When You Can't Speak for Yourself?

As difficult as it is to consider a time when you are not able to manage your own financial and health-care matters, it makes sense to plan for that possibility now, while you are in control of your choices. Consider establishing a durable financial power of attorney and healthcare advance directives with a person, or persons, you trust as the agent.

Make sure your loved ones know your end-of-life wishes. By doing so, you are giving them a valuable gift, and preventing the possibility of misunderstanding between family members.

## Budget, Budget, Budget

If you're concerned enough about your financial future to be reading this, you're unlikely to be the type of the person who hasn't followed a budget. Once you retire, though, you have additional spending concerns.



"The early years of retirement are generally the most active and expensive as far as travel and hobbies go. These are the years when you are most likely to use up the biggest part of your nest egg. If you dip too deep into your nest egg, however, you may be reducing your income for your later years, in which you are likely to have some costly medical bills on top of your regular, everyday expenses," advises [Investopedia](#).

Budgeting may well be one of the most important activities you engage in upon retirement. It not only gives you an idea of your progress toward your goals, it provides opportunities for you to make new ones.

Budgeting should be a regular part of your routine. If you make it a continual process, it will become more than a periodic chore. It will become a way of life.

## Budget-Busters

No matter how wisely you plan, you may encounter something that disrupts your carefully-crafted budget. A family member may need financial or other help. A local disaster, such as a hurricane, tornado, earthquake or flood, may hit your area. You may fall victim to a scam or identity theft.

You may think you'd never fall for a [scam](#), but they're getting more sophisticated all the time.

### The top 10 scams targeting older adults include:

1. Medicare scams
2. Counterfeit prescription drugs
3. Funeral and cemetery scams
4. Fraudulent anti-aging scams
5. Telemarketing/phone scams
6. Internet fraud, such as pop-up browser window sign ups, phishing, and ransomware
7. Investment schemes
8. Homeowner/reverse mortgage scams
9. Sweepstakes and lottery scams
10. Fake grandchild scam

Our advice on preventing scams or catching them early is to check your credit report at least once every year. You can do so free once annually. Watch for unfamiliar credit accounts or past or current home address, late or missed payments on an account, or a judgment or collection action you don't know about. Find more helpful information on preventing scams or fraud [here](#).

## Mind Your Taxes

Whether you're retired or not, always keep in mind the effects your decisions have on your taxes. Certain life events, such as selling your home, extensive medical treatment, death of a spouse, and moving to certain senior housing communities may affect your taxes.

Although the tax code is always changing, here are some things that are always good to discuss with your financial advisor or accountant:

- Medical and dental expenses
- Home sale
- Retirement plan contributions
- Investment expenses
- Charitable donations
- Entrance and monthly fees paid to a continuing care retirement community

For an overview of tax benefits and deductions available for older adults, sign up to receive our whitepaper, "[Tax Relief For Older Adults: A Basic Guide to Benefits.](#)" Once a final tax bill has been passed by Congress, you will receive your up-to-date guide.

Sign up to receive your free guide:

## Tax Relief for Older Adults: A Basic Guide to Benefits

SIGN UP FOR MY GUIDE



## Planning for Your Future

Your money may already be working for you through your investments, but have you planned for all eventualities?

Most of us don't like to cast our thoughts toward the chance of becoming disabled, but it's something every person, no matter their age, should consider before it becomes an imminent need. As you're doing your annual financial assessment, make sure to secure your future.

### Long-Term Care Insurance

Long-term care insurance is an option that may cover a portion of long-term care expenses. The younger you are when you buy it, the less expensive the payments.

Most policies have an elimination period, typically 90 to 120 days. And most require you to demonstrate you're unable to engage in at least 2 activities of daily living, such as walking, eating, dressing, bathing, toileting, and continence. For example, if you're losing weight because you just don't feel like cooking, the insurer may say that you're able to cook and refuse benefits. Make sure you read your contract carefully. Or ask someone other than the person selling you the policy to review it. Make sure it does not include language that might limit reasonable payments.

Another option is known as a hybrid-policy, which mixes long-term care insurance with life insurance. If the insured doesn't use the long-term care policy, the proceeds are paid to beneficiaries.

Short-term policies provide care for no longer than a year.

Another option is a long-term annuity with a care rider. If the insured doesn't need care, they or their heirs receive the money after the annuity matures.

If you choose to take out any type of long-term care insurance, make sure your spouse, children or trusted friend knows where to find policy information when the time comes to make a claim.



## Continuing Care Retirement Community

The desire for security is driving many older adults to continuing care retirement communities (CCRCs), also known as Life Plan communities.

These communities attract independent, healthy older adults while offering services if their health declines in the future.

We describe it this way: “As a continuing care retirement community, or CCRC, we also offer a full range of care services, if or when you need them. Having a plan in place for future needs offers priceless peace of mind. As a resident of Kendal at Oberlin, you have access to advanced options in the Stephens Care Center, including assisted living, memory support, skilled nursing and rehabilitation, all conveniently located on our campus near Cleveland, Ohio.”

### *Here's how to choose the best retirement community for you!*

Because a CCRC is designed to meet your future needs, you need to assure yourself that it's financially viable. We recommend you ask the following [5 questions of any senior living community](#):

1. Is there an annual financial report and, if so, what's in it? A retirement community should conduct periodic financial evaluations. One of the most important indicators is the actuarial funded status, which should be greater than 110%.
2. What are occupancy trends for the previous 3 to 5 years? Look for a 90% or better occupancy rate.
3. What is the cash and investments-to-debt ratio on the balance sheet? If it's 50% or lower, you should be concerned. Also look to see what funds have been set aside for specific purposes.
4. Is the community accredited? CARF-CCAC (Commission on Accreditation of Rehabilitation Facilities-Continuing Care Accreditation Commission) is the accrediting agency for CCRCs. Kendal at Oberlin is one of about 300 accredited Life Plan communities in the United States.
5. What's been the trend for monthly fee increases? Ask for the average of at least the past 5 years.

## Annual Financial Checklist

- Assess your financial situation**
  - Talk to your financial advisor
  - Rate your financial health
  - Consider adjustments to investments as needed
- Avoid scams**
  - Monitor your credit report
  - Watch for scams
- Make and adjust your budget as necessary**
  - Annual budget
  - 5-year budget
  - Long-term budget
- Take advantage of tax deductions that are available to you**
- Adjust your plans as your needs and priorities change**
  - Consider your lifestyle options
  - Consider your housing options
  - Consider your long-term care options
- Plan for your future**
  - Organize your documents
  - Develop advance directives
  - Talk to your loved ones



## Extend Your Assessment

While an annual financial assessment – and possible ensuing refocus – is critical, your financial health is a means to an end. Why not expand your assessment to other aspects of your life, such as your physical and mental health, your intellectual health, and your spiritual health? By taking a [holistic view](#) of your future, you're ensuring all aspects of your future.

## Let Kendal at Oberlin Help

Kendal at Oberlin ensures the well-being of older adults. We're happy to answer your questions about our Life Plan community. Please feel free to call us at 800-548-9469 or 440-775-0094 or [contact us online](#). We're here to help.



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