

Managing savings: Will your money last?



Nobody can predict how long you'll spend in retirement. But one thing is certain: You don't want to run out of money. Consider the following when estimating how long your savings will last.

✓ Withdrawal rate

The percentage of your savings that you withdraw each year may have a significant impact on how long your money lasts. So it's important to calculate the amount you can withdraw without running out of money based on a specific time horizon — 30 or 40 years, for example. You may need to adjust your withdrawal amount in some years depending on your returns and on the inflation rate.

✓ Inflation

Over time, everything costs more, even when inflation is low. So the longer you spend in retirement, the more the buying power of your savings may be reduced by inflation.

✓ Expenses

Estimating expenses in retirement can be tricky. You may have to replace expensive items such as your car or your furnace. And people often underestimate health care expenses, so make sure you budget for deductibles, copays and supplemental insurance or Medigap premiums.

✓ Longevity

You don't know how many years you'll spend in retirement, so planning for a 30-to-40-year lifespan is a wise move.

✓ Social Security

Review your expected Social Security payments and determine if holding off on Social Security to increase or maximize payments is in your best interest.



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

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