COMPLIMENTARY RESOURCE — 2026 EDITION

The Longevity Guide

5 Risks That Could Outlive Your Retirement Savings — and How to Plan Around Every One

Addressing the specific structural financial challenges women face — with strategies for retirement confidence, family protection, and lasting peace of mind.

INTRODUCTION

You May Live Longer Than Your Money

Advances in medicine and healthier lifestyles mean Americans are living longer than any previous generation. That is good news. But longevity also creates a planning challenge most people are unprepared for: a retirement that lasts 25, 30, or even 35 years instead of 15.

For women, this challenge is magnified. Women live longer, often experience career pauses for caregiving that reduce lifetime earnings, and statistically, most will eventually manage their household finances alone. These realities demand a proactive, personalized strategy.

> *"The greatest financial risk women face is not market volatility. It is longevity — and the plan that got you here may not get you there."*

~5 Yrs Women outlive men on average at birth (CDC, 2023). At age 65, a woman can expect roughly 20+ more years — making a longer income strategy essential.

8 in 10 Women may eventually be solely responsible for their household finances due to divorce or widowhood (UBS Own Your Worth).

30% Women retire with roughly 30% less saved than men on average, with caregiving career pauses a major contributing factor (NIRS, 2023).

RISK #1 OF 5

Outliving Your Savings: Sequence of Returns Risk

01

Most retirement plans assume an average rate of return — but the order in which those returns occur matters enormously. A sharp market decline in your first years of retirement, when you are making withdrawals, can permanently damage a portfolio that would otherwise have recovered.

- ✦ **Timing matters:** A 30% market drop in year 2 of retirement is far more damaging than the same drop in year 20.
- ✦ **Accelerated losses:** Withdrawing from a declining portfolio accelerates losses and limits recovery potential when the market rebounds.
- ✦ **The 4% rule is outdated:** The traditional "4% rule" was modeled on historical data that may not reflect today's environment of inflation and longevity.
- ✦ **Bucket strategies:** Using bucket strategies and bond ladders reduces reliance on volatile assets during early retirement years.
- ✦ **Guaranteed income:** A guaranteed income floor lets you leave growth assets untouched during market downturns.

ADVISOR TIP

A structured retirement income plan separates guaranteed income (Social Security, annuities) from growth assets — so you are never forced to sell equities at a loss to meet everyday living expenses.

RISK #2 OF 5

Healthcare Cost Inflation: The Expense That Never Stops Growing

02

Healthcare costs consistently outpace general inflation. For retirees, this creates a growing expense burden at precisely the time income is fixed. Medicare covers far less than most people expect, leaving significant out-of-pocket exposure for premiums, deductibles, and long-term care.

- **Staggering estimates:** Fidelity estimates a 65-year-old couple will need $315,000+ for healthcare costs in retirement.
- **Rising premiums:** Medicare Part B and D premiums increase annually and are income-tested (IRMAA surcharges apply).
- **The long-term care gap:** Long-term care — nursing home, assisted living, in-home care — is not covered by Medicare.
- **High monthly costs:** Average nursing home cost is $8,000–$10,000/month; in-home aide care is $4,000–$6,000/month.
- **HSA advantages:** Health Savings Accounts (HSAs) offer a triple tax advantage and can be invested for future care.

ADVISOR TIP

Review your Medicare supplement (Medigap) coverage annually and explore long-term care insurance or hybrid life/LTC policies before a health change makes you uninsurable. An HSA invested today can grow tax-free for qualified medical expenses in retirement.

RISK #3 OF 5

Social Security Timing: The $100,000+ Decision

03

When you claim Social Security may be the single most consequential financial decision you make in retirement. Claiming at 62 instead of 70 can reduce your lifetime benefit by up to 32%. For couples, coordinating spousal and survivor benefits adds another critical layer of complexity.

- **The 8% bump:** Benefits increase by 8% per year for every year you delay claiming past full retirement age up to age 70.
- **The break-even point:** If you live past age 82–84, waiting almost always pays more in total lifetime benefits.
- **Spousal benefits:** You can claim up to 50% of the higher earner's benefit at full retirement age, even if you never worked.
- **Survivor protection:** A surviving spouse receives whichever of the two benefit amounts is higher, making the higher earner's delay crucial.
- **Divorced spouse options:** If you were married 10+ years, you may still qualify for spousal benefits on your ex's record.

ADVISOR TIP

The optimal claiming strategy depends on your health, other income sources, marital status, and tax situation. A break-even analysis with a lifetime income projection is the right starting point — not a one-size-fits-all rule of thumb.

Cognitive Decline & Financial Vulnerability

One in three Americans over 85 will experience some form of cognitive impairment. Financial decision-making is often one of the first capabilities to decline — making proactive legal and advisory structures essential long before they appear to be needed.

- **The prevalence:** Alzheimer's disease affects approximately 1 in 9 people age 65 and older in the United States.
- **The financial cost:** Financial fraud and elder exploitation cost Americans $36.5 billion per year (AARP, 2024).
- **Management complexity:** Complex portfolios become increasingly difficult to self-manage as cognitive function declines.
- **Power of Attorney:** A durable financial power of attorney designates a trusted person to act on your behalf.
- **Healthcare Directives:** A healthcare proxy and living will document your medical preferences before a crisis occurs.

ADVISOR TIP

Simplify your financial life before challenges arise: consolidate accounts, automate bill payments, establish a trusted contact with your advisor, and execute a durable power of attorney while you have full legal capacity to do so — not after you need it.

Estate Planning Gaps: Leaving More to the IRS Than Your Heirs

Estate planning is not only for the ultra-wealthy. Outdated beneficiary designations, missing healthcare directives, and assets stuck in probate can cost families thousands of dollars and months of delay — while creating unnecessary conflict during an already difficult time.

- **Beneficiaries rule all:** Beneficiary designations override your will — an ex-spouse listed on a 401(k) still inherits it.
- **The probate trap:** Assets without a named beneficiary typically pass through probate, which is public and slow.
- **Trust privacy:** A revocable living trust avoids probate entirely and keeps asset distribution private.
- **Tax efficiency:** The step-up in cost basis at death can eliminate capital gains tax on inherited appreciated assets.
- **The 10-year rule:** Inherited IRAs require full distribution within 10 years under SECURE 2.0 — heirs must plan for this tax burden.

ADVISOR TIP

Review beneficiary designations on all retirement accounts, life insurance policies, and bank accounts every 2–3 years and after any major life event — marriage, divorce, or death of a beneficiary. One outdated line can undo years of careful estate planning.

NEXT STEPS

Ready to Build a Plan That Lasts as Long as You Do?

The 5 risks covered in this guide are manageable — but only with a proactive strategy tailored to your timeline, your health, and your legacy goals.

REQUEST A COMPLIMENTARY REVIEW

Protect Your Future

A licensed financial advisor can analyze your current portfolio, identify longevity gaps, and help you build an income plan designed to last.

REQUEST A FREE CONSULTATION