

# RETIREMENT PREPARATION MISTAKES

by Dominic Lucente

## Why are they made again and again?

Much is out there about the classic financial mistakes that plague start-ups, family businesses, corporations, and charities. Aside from these blunders, some classic financial missteps plague retirees.

Calling them “mistakes” may be a bit harsh, as not all of them represent errors in judgment. Yet whether they result from ignorance or fate, we need to be aware of them as we prepare for and enter retirement.

**Timing Social Security.** As Social Security benefits rise about 8% for every year you delay receiving them, waiting a few years to apply for benefits can position you for higher retirement income. Filing for your monthly benefits before you reach Social Security’s Full Retirement Age (FRA) can mean comparatively smaller monthly payments.<sup>1</sup>

**Managing medical bills.** Medicare will not pay for everything. Unless there’s a change in how the program works, you may have a number of out-of-pocket costs, including dental, and vision.

**Underestimating longevity.** Actuaries at the Social Security Administration project that around a third of today’s 65-year-olds will live to age 90, with about one in seven living 95 years or longer. The prospect of a 20- or 30-year retirement is not unreasonable, yet there is still a lingering cultural assumption that our retirements might duplicate the relatively brief ones of our parents.<sup>2</sup>

**Withdrawing strategies.** You may have heard of the “4% rule,” a guideline stating that you should take out only about 4% of your retirement savings annually. Some retirees try to abide by it.

So, why do others withdraw 7% or 8% a year? In the first phase of retirement, people tend to live it up; more free time naturally promotes new ventures and adventures and an inclination to live a bit more lavishly.

**Talking About Taxes.** It can be a good idea to have both taxable and tax-advantaged accounts in retirement. Assuming your retirement will be long, you may want to assign this or that investment to its “preferred domain.” What does that mean? It means the taxable or tax-advantaged account that may be most appropriate for it as you pursue a better after-tax return for the whole portfolio.

**Retiring with debts.** Some find it harder to preserve (or accumulate) wealth when you are handing portions of it to creditors.

**Putting college costs before retirement costs.** There is no “financial aid” program for retirement. There are no “retirement loans.” Your children have their whole financial lives ahead of them.

**Retiring with no investment strategy.** Expect that retirement will have a few surprises; the absence of a strategy can leave people without guidance when those surprises happen.

**These are some of the classic retirement mistakes.** Why not attempt to avoid them? Take a little time to review and refine your retirement strategy in the company of the financial professional you know and trust.

Dominic may be reached at 603.645.8131  
or [Dominic.lucente@LPL.com](mailto:Dominic.lucente@LPL.com)  
[Dlucente.com](http://Dlucente.com)

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment. Financial planning offered through Northeast Planning Associates, Inc. (NPA) a registered investment adviser. Securities and advisory services offered through LPL Financial, a registered investment adviser and member FINRA/SIPC. Insurance products offered through NPA, LPL Financial, or its licensed affiliates. The Credit Union, NPA and LPL Financial are unaffiliated.

### Citations

1. Forbes.com, December 9, 2021
2. SSA.gov, January 24, 2022



YES, WE DO TAKE IT

*personally*



Everyone hopes for a happy, secure life and an easy path to retirement. But only **you** know what happiness and retirement personally mean to you. That’s where we come in.

At NPA, we pride ourselves on excellent client relationships and a personal planning approach focused on understanding you, your family and your financial goals. The plan we create together takes all of that into account, but when things change, either in the world or for you, we’ll adjust accordingly.

Now, let’s get personal. Call us today!



**Dominic M. Lucente, CFP®, RFC®**  
CERTIFIED FINANCIAL PLANNER™  
NORTHEAST PLANNING ASSOCIATES, INC.  
425 Hooksett Road · Manchester, NH 03104  
(603) 645-8131 · [dominic.lucente@lpl.com](mailto:dominic.lucente@lpl.com)  
[www.dlucente.com](http://www.dlucente.com)



21-436 Financial planning offered through Northeast Planning Associates, Inc. (NPA), a registered investment adviser (RIA). Securities and advisory services offered through LPL Financial (LPL), an RIA and broker-dealer (BD), member FINRA/SIPC. Credit union is not an RIA or BD. Insurance products offered through LPL or its licensed affiliates. LPL registered representatives offer products and services using NPA. These products and services offered through NPA, LPL, or their affiliates, which are separate entities from, and not affiliates of the credit union, are:

Not Insured by NCUA or Other Government Agency | Not Credit Union Guaranteed | Not Credit Union Deposits or Obligations | May Lose Value

# HUCKLEBERRY

Propane Heating Oil

*“Local, honest and committed to keeping you warm.”*

## 796-2007

License #MBE1000505

We Deliver: PROPANE • OIL • KEROSENE DIESEL  
Proudly Serving Bow for 20 Years!

# A-1 Enterprises

## STUMP GRINDING

Taking Orders for  
Seasoned Cord Wood NOW!

Cell: 603-557-9083 Shop: 603-774-3725  
1021 Montalona Rd. Dunbarton, NH. 03046