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How to Protect Your Retirement Nest Egg

With the uncertainty of the pandemic, likely there are a lot of retirees, or those approaching retirement, who are nervous that they may not be able to afford the comfortable retirement they envisioned given the recent market downturn. Whether you are worried you may deplete your income due to the pandemic, or contemplating putting retirement on hold, there are strategies available to help guide you to Live Well. At Weiss, Hale & Zahansky Strategic Wealth Advisors, our clients are reassured, even during difficult times, that their portfolios are strong. This is in part because of our unique and strategic Plan Well. Invest Well. Live Well.™ process. Our process is based on extensive research, the most up-to-date tools available, and a disciplined partnership approach, so our clients can confidently and efficiently move forward toward their goals. In more ways than one, our clients are confident in their retirement portfolios, and you can be too.

Develop a Holistic Retirement Plan

We advise our clients using our Plan Well. invest Well. Live Well.™ process in order to develop a tailored retirement plan that can withstand the tests of market volatility. The most important part of understanding your retirement is to build an accurate financial plan with your advisor.

If you are about to retire, the planning process considers current savings, other income sources such as Social Security, pension benefits, retirement goals, and your retirement time horizon. You may be thinking: “I am close to retirement and my statements show losses due to the pandemic. Can I retire and rely on my nest egg, along with other income sources and still have a comfortable retirement?” Your strategy may need to be adjusted depending on your situation. Perhaps you may need to continue working or consider part-time work during retirement. If you are able to, consider saving more toward your retirement while you still receive income from your job. Finally, adjust your goals (which includes spending) if needed.

Plan well. Invest well. Live well.™

If you are already in retirement, you may be thinking: “How can I protect my nest egg during this period of market volatility?” First, assess your wants vs. needs - review your budget and withdrawal rate. Second, do you *need* to use your retirement nest egg to cover necessary costs right now? Can other income sources cover immediate and necessary expenses? Finally, under the CARES Act, through 2020, penalties are waived for those who had required minimum distributions (RMDs).

The planning phase allows your advisor to understand all aspects of your financial situation in depth. Then, they are better able to understand how your financial resources will help you live your definition of a comfortable retirement based on your values and goals, the life you want to lead, and the legacy you wish to share.

Investment Strategies to Withstand Volatility

At WHZ, we implement investment strategies according to clients’ financial plans and review times of volatility to prepare for downturns. This allows us to build an appropriate investment strategy to help our clients meet their financial life goals and support their risk tolerance.

There are a few investment strategies to consider while the market is in a downturn, both for those about to retire, and those who are currently retired. First, enter retirement with at least one year of cash on hand to protect against a down market. You can use this cash to meet your living expenses and allow your portfolio time to recover. Second, assess your risk tolerance to make sure it is still appropriate for you. Are your investments keeping you up at night? This could mean that you need to make some adjustments.

Your time horizon also has an impact on your investment strategy. Hypothetically, if you are 55-65 you might have 20-30 years to allow your portfolio to recover and catch the market turnaround. As discussed in previous articles and podcasts, there is lots of data to support the resiliency of the market, even during times of extreme volatility, so investors should remain confident. According to many studies, the investor who stays in the market has a better chance of performing well; stocks have generally delivered strong returns over one-year, three-year, and five-year periods following steep declines.

Steps to Help You Live Well™

These are unprecedented times and people are concerned about many aspects of their lives. From retirement, to unemployment, or staying healthy, we are all concerned about the uncertainty that surrounds us lately. However, while people are genuinely concerned about their retirement plans, there are ways to protect

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your nest egg. Ideally, if you're retired or on track to retire in the next few years, chances are, you already have a good plan in place for these kinds of inevitable market fluctuations. If you find your retirement plan could use some adjusting or you wish to speak with a financial advisor, call us at (860) 928-2341 or email us at info@whzwealth.com! We are happy to help you determine how to live comfortably in retirement and achieve your financial life goals. For more resources such as articles, podcasts, assistance, and more, visit our website www.whzwealth.com/covid19-resources.

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