



THE SUNDAY BLUES, 5 RETIREMENT MISCONCEPTIONS AND SOCIAL SECURITY'S MASSIVE RAISE

Sunday night blues are not exclusive to workers. Retirees have them, too, because of the overwhelming free time during the weekdays. Finding things that keep you active and happy is the key to an enjoyable retirement.

I was fortunate to begin my career working in New York City. To secure a job after graduation was not easy, and I was thrilled to be a young professional in the city. I won't lie. I envisioned a life as fabulous as sit-com protagonist Mary Tyler Moore's, with a fashionable apartment and a fun-filled life.

But life is nothing like a TV show. As the reality set in (and the long commute on the Long Island Railroad began), I had difficulty adjusting to the grown-up world. Where was the freedom of strolling around campus and staying out late into the night? Where were all the benefits of earning an income? And why did I feel so out of my element?

THE SUNDAY NIGHT BLUES

Every Sunday, thinking about the work week to come, I got a twinge in my stomach. Learning how to overcome the feeling of dread took me a long time. The cause of my Sunday blues was not necessarily the job itself, but the change in lifestyle.

Change is difficult and even more so when your expectations don't line-up with the reality. A change as big as retirement can

be really tough when it turns out your post-work life is not what you expected.

Before you retired, you were occupied 40 hours a week. Now all the empty hours become stressful and depressing. And Sundays can be just as difficult. After a weekend spending time with family and friends with many activities to keep you busy, here comes the weekdays that you need to fill.

Questions to Ask Yourself Every Sunday

Studies show that those who manage their free time have a better chance to enjoy a happier retirement. So let's have a plan set for your week on Sundays to get rid of the blues.

Ask yourself the following questions:

What challenges do you line up for the week? Take some time to list out what you hope to accomplish this week. There is never a shortage of hobbies and interests to pursue.

Are you looking forward to engaging with different people? Your work friends are the people you spent the most time with before retirement. Now it's time to make some new friends. Expand your social circle by going out, signing up for new activities.

Keeping the Sunday blues at bay is crucial during all phases of your life, including retirement.

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When you plan for retirement, an exciting new phase of life, double-check your expectations. They may not match the reality.

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5 MISCONCEPTIONS ABOUT RETIREMENT

Baby boomers, currently in their 50s and 60s, view retirement differently than the previous generations. Many boomers consider retirement as an opportunity to begin a new career, hobby or passion, which is a good thing. But the upcoming retirees may not take everything into account.



Here are five common misconceptions about retirement:

1. Retirement is like a 30-year vacation. A life full of leisure must be great, right? Not really. Too much free time leaves many retirees feeling depressed and unimportant. Studies show that people who keep working after 65 tend to be happier whether or not they do so by choice. Among all, voluntary part-time workers are the happiest. While money is the main reason for continuing to work in retirement, stimulation and satisfaction are just as important.

2. Money is most important to happiness in retirement. The biggest key to a happy retirement is good health. If you have financial security, you have enough. Money only correlates with happiness up to a certain point. You can still enjoy a happy and fulfilling retirement even if you are not a millionaire.

3. Spending is consistent in retirement. People generally spend less in retirement, but that's not always the case. Many spend the first few years traveling, and as years go by, the number of trips decreases while health care and family costs increase. Many estimates suggest a couple needs \$250,000 to cover medical expenses throughout retirement. Although health-care costs are retirees' biggest concern, few spend much time planning for that.

4. Retirement is a "couples" thing. Married couples face a new adjustment when entering retirement. One in three couples doesn't agree on the ideal lifestyle they want to have in retirement. You need to be aware that your partner has his or her own needs and alone time. Also, women have a life expectancy six years longer than men. Actually, 60% of American women over 65 are single, widowed or divorced, according to the Census Bureau.

5. Financial planning stops at retirement. You still have many issues that need to deal with during retirement. You need to continue planning of your investments to make sure that your money can last as long as you do. You may have estate concerns and health issues that require long-term care.

Retirement is not what you retire from, but what you retire to. Just because you reach a certain age, it does not mean you have to stop working. And to stop working does not mean you stop planning for your life.

Plan and enjoy.

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SOCIAL SECURITY GETS MASSIVE 5.9% RAISE IN 2022

On October 13th, the Social Security Administration announced that Social Security and Supplemental Security Income benefits for tens of millions of Americans will increase in 2022. The press release stated the following:

"Social Security and Supplemental Security Income (SSI) benefits for approximately 70 million Americans will increase 5.9 percent in 2022.



The 5.9 percent cost-of-living adjustment (COLA) will begin with benefits payable to more than 64 million Social Security beneficiaries in January 2022. Increased payments to approximately 8 million SSI beneficiaries will begin on December 30, 2021. (Note: some people receive both Social Security and SSI benefits).

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The maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$147,000.”

Biggest Leap Since 1982

This 5.9% leap in the annual COLA is the largest since 1982. According to the Social Security Administration, retirees will see an average of \$92 added to their monthly benefits next year, raising the typical amount to \$1,657.

Further, almost 9 out of every 10 people over the age of 65 receive Social Security and collectively, the social security payments make up about a third of their income (although that number is much higher for lower income seniors).

Keeping Pace with Inflation?

Of course there were many factors that went into making this COLA decision, including inflationary data points and when the Fed might taper its bond buying program in an effort to curtail inflation (the Fed just announced the beginnings of its tapering program in early November). But the latest press release from the Bureau of Labor Statistics reported that the Consumer Price Index for All Urban Consumers increased 6.2% over the last 12-months.

When to File for Social Security

Social Security benefits constitute a big part of many retirement plans. Advice abounds about how and when you need to file. What is best for you and your family?

Generally, you can file for your Social Security retirement benefits when you reach age 62. But doing so will reduce your benefits by as much as 30% below what you might receive if you wait until your full retirement age. Accordingly, most financial advisors recommend you delay filing to better maximize your lifetime benefits.

If you wait until your full retirement age – which is 66 for most people – you will get your full benefit. Or you can wait until age 70, which will increase your benefit because you earned what is called “delayed retirement benefits.”

In other words, there is no one-size-fits all answer to when you should start receiving Social Security.

Social Security is Only Part of Retirement

It is important to remember that although Social Security plays a very important role in supplementing one’s retirement income, it was never meant to be the only source of income.

In fact, even the Social Security Administration states that Social Security benefits will – at best – cover about 40% of the typical worker’s pre-retirement income.

But the key word is “typical” because everyone is different.

And to make matters more dire, those contemplating retirement – which is everyone – should know that Social Security has a funding issue: by the year 2033, the Social Security trust fund will be at \$0 and will only collect enough taxes to pay about 76% of scheduled benefits.

In other words, your retirement might be somewhat dependent on Congress stepping in to fix this shortfall.

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YOUR FINANCIAL ADVISOR

Remember this: when you plan for retirement, you model out your financial expenses and lifestyle choices. But just because you’re close to retiring, it doesn’t mean that your planning stops.

For example, pre-retirees should ask how to calculate the future rate of inflation because projecting what price increases lie ahead is central to anticipating their annual income needs. And sadly, there is no magic number. Worse, often times the assumed number can be flawed and can vary significantly from one family to the next because your personal inflation rate is unique based on your age and your lifestyle. The headline CPI number is important only as a general gauge.

Talk to your financial advisor to make sure you accurately project for inflation as you think about your retirement plans. So you can sleep better at night. Especially on Sunday nights.

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