

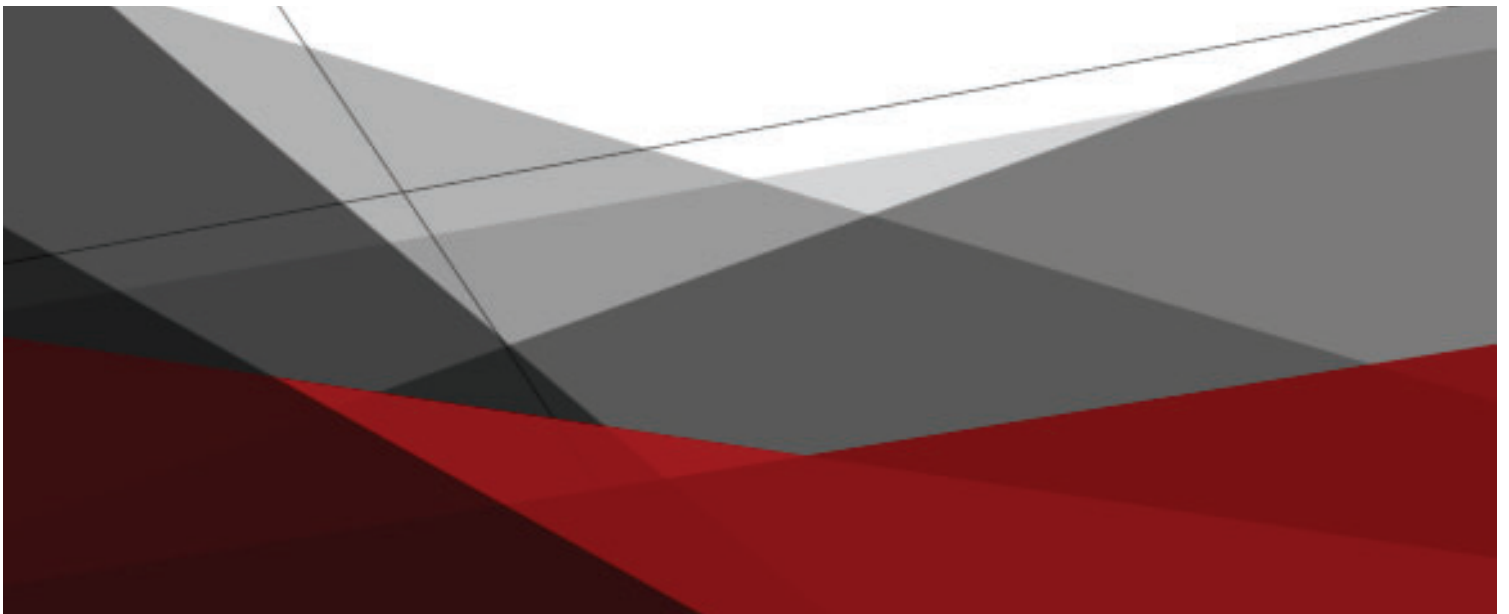


**Free Retirement Income Planning Guide**

# **Investment Planning vs Retirement Planning**

**Why the Strategy Must Change  
as Retirement Approaches:**

**“3 Things Most People Worry About Before Retirement”**



# Investment Planning vs Retirement Planning

Why the Strategy Must Change as Retirement Approaches

## Introduction

For much of our working lives, financial planning focuses on **growing assets**. This stage is commonly known as **Investment planning**, where the goal is long-term accumulation. But as retirement approaches, the focus begins to shift.

At this stage, the objective is no longer just growth – it becomes about **turning savings into reliable income while protecting what you've built**. Understanding the difference between these two phases can make a significant impact on the success of a retirement plan.

### Investment Planning

During the earlier stages of life, investors typically focus on:

- Long-term market growth
- Maximizing contributions to retirement accounts
- Compounding returns over time
- Higher exposure to market volatility

Because there is still time to recover from market downturns, growth-oriented strategies often play a central role during the stage.

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### Retirement Planning

As retirement approaches, the strategy often begins to shift toward:

- Creating predictable income streams
- Protecting accumulated savings
- Reducing unnecessary market risk
- Planning for longevity and healthcare costs

Instead of asking **“How much can my portfolio grow?”**, the question becomes:

**“How can my savings support my lifestyle throughout retirement?”**

## Key Concepts Many Retirees Explore

### Reliable Income

One of the biggest concerns retirees have is ensuring their income lasts throughout their lifetime. Many retirement strategies focus on creating predictable income sources that help cover essential expenses **such as housing, food, and healthcare**. This can provide stability while allowing other assets to remain invested for growth or liquidity.

## Principal Protection

Another important concept in retirement planning is **principal protection**.

Principal protection means a portion of your assets may be structured so they are **not exposed to market losses**. This can help stabilize a retirement portfolio and reduce anxiety during periods of market volatility.

## Sequence of Returns Risk

Market downturns early in retirement can have a lasting impact on a portfolio. This is known as **sequence of returns risk** – when withdrawals combined with early market losses can permanently reduce retirement income potential.

Having a portion of assets positioned in **more stable strategies can help reduce this risk**.

## A Balanced Retirement Strategy

Many retirees find that a balanced approach may include:

- **Growth-oriented investments**
- **Protected assets designed to preserve principal**
- **Income strategies that provide predictable cash flow**

When these elements work together, retirement planning becomes less about uncertainty and more about **confidence and financial stability**.

## 5 Questions to Ask Before You Retire

Before entering retirement, it can be helpful to step back and evaluate whether your current financial strategy is designed for the next stage of life. Consider asking yourself these important questions:

### 1. Do I have a reliable income plan?

Saving for retirement is important, but retirement itself requires a strategy for turning savings into income.

Understanding how your assets will generate income throughout retirement can provide clarity and confidence. But as retirement approaches, the focus begins to shift.

### 2. How much market risk am I comfortable taking in retirement?

During your working years, market volatility may have been easier to tolerate because there was time to recover.

As retirement approaches, many people begin exploring strategies designed to **reduce unnecessary market exposure**.

### 3. What happens to my plan if markets decline early in retirement?

Market downturns early in retirement can have lasting impact on a portfolio when withdrawals are also occurring.

This concept is known as **sequence of returns risk**, and planning for it can help protect long-term income.

### 4. Are my essential expenses covered by predictable income?

Many retirees find peace of mind knowing that core living expenses – such as housing, food, and healthcare – are supported by stable and **predictable income sources**.

### 5. Is my retirement plan personalized to my goals?

Every retirement plan should reflect individual priorities, lifestyle goals, and financial circumstances.

A thoughtful strategy often combines income planning, protection strategies, and growth opportunities.

## Education First

Retirement planning is not one-size-fits-all. Understanding your options is the first step toward building a strategy designed for your goals and lifestyle.

If you'd like to explore how these concepts may apply to your personal situation, I welcome the opportunity to connect. **Book a free consultation, today!**



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