



A financial advisory practice of Ameriprise Financial Services, LLC

## Discover your ideal retirement lifestyle: 7 key questions and financial considerations

This article was provided by Ameriprise Financial, a longstanding leader in advice and financial planning.

You've spent decades working hard and saving, so your retirement years should be what you envision. After all, you'll want to retire to something – not from something.

**Defining your retirement lifestyle and aspirations is a critical first step. We can help build the retirement income streams and financial strategies to work toward getting you there.**

As you begin to map out your life after work, consider these questions, thought starters and financial considerations to help you clarify the activities, ideals, and lifestyle you value most.

### 1. What activities do you want to do?

Do you want to embark on second career?	Do you want to pursue creative endeavors or other hobbies?	Do you want to give back to important causes?	Are you a lifelong learner?	Do you want more family time or relaxation?
<ul style="list-style-type: none"> <li>• Nonprofit work</li> <li>• Patient representative</li> <li>• Celebrant/religious leader</li> <li>• Public school teacher or college professor</li> <li>• Financial advisor</li> <li>• Lobbyist</li> <li>• Retail sales</li> </ul>	<ul style="list-style-type: none"> <li>• Car restoration</li> <li>• Quilt making</li> <li>• Gardening</li> <li>• Writing</li> <li>• Woodworking</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteering for a political cause</li> <li>• Donating time to a nonprofit, such as a food pantry or animal shelter</li> <li>• Bettering the community through a local group or advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• Going back to school to continue your education</li> <li>• Learning a new language</li> <li>• Mastering a new skill, like getting your pilot's license</li> </ul>	<ul style="list-style-type: none"> <li>• Traveling with family</li> <li>• Reading more</li> <li>• Savoring quiet time</li> </ul>

### Financial considerations to think about:

Whatever you'd like to do, financial advisors at S&T Financial Services, a financial advisory practice of Ameriprise Financial Services, LLC can help take the necessary steps with you to work toward making your retirement dream a reality. For example, hobbies such as woodworking or earning a private pilot's license may require a hearty initial investment to

plan for. Pursuing a second career or starting a new business means you'll need to plan for the potential impacts on taxes and Medicare premiums and consider how to optimize your Social Security benefits.

## 2. Is travel one of your priorities?

Travel is often a top interest for retirees, who may want to use their newfound time and freedom to broaden their horizons, experience new cultures and spend long periods of time exploring new places.

### Financial considerations to think about:

Travel costs can add up, and accounting for these expenses will vary depending on your travel destination, length of stay and caliber of accommodations:

- **Extended international or domestic travel:** Consider how you can build income streams to support your lifestyle on the road or abroad. Additionally, when traveling internationally, know that Original Medicare does not provide international coverage, so you'll want to review your health care options.
- **Annual or semi-annual vacations:** Setting a lump sum aside every year may help you finance these short-term trips.
- **Regular visits to friends and family:** For those interested in frequent travel, building these expenses into your monthly or annual budget can help you to be flexible in your plans.

## 3. With whom do you want to spend time?

When you retire, you may experience loss of social interactions through work. But the increased personal time may allow you to devote more energy to your other relationships:

- **Spouse or partner:** Consider new activities to do together.
- **Family:** How far away are your parents, children and grandchildren? What activities do you like to do together? How often will you travel to see family?
- **Friends:** Do you like to entertain? What kinds of social activities do you enjoy? Will you want to meet new people? Consider classes, clubs and organizations.
- **Community:** Do you want to get more involved with religious groups, your alma mater or other causes important to you?

### Financial considerations to think about:

Factor in costs associated with extra travel to family or new activities you engage in with the important people in your life. You'll also want to account for any additional expenses related to entertaining, eating out, gifts and donations in your budget.

## 4. Where do you want to live?

Do you want to stay in your current home or be part of a new community? Do you want to try a new climate or lifestyle? Do you want to have homes in multiple locations?

- **Stay in the area:** Loft in the city? Current home? Downsize? More space for extended family?

- **Move closer to family:** Is it important for you to spend time with children, grandchildren or parents?
- **Relocate near activities you love:** Vacation home? Live abroad? Move into a retirement community?

**Financial considerations to think about:**

Your home is a large factor in your retirement lifestyle, so consider what financial adjustments may be needed. For example, living as a “snowbird” or owning a vacation home will come with extra taxes and upkeep for your properties. Renovating your current home will require a significant one-time expense and downsizing may provide you with additional income to reallocate.

Regardless of your decision you’ll want to think about ongoing costs above and beyond rent or mortgage. If renting, you’ll want to think about inflation, and protection. If you own your home, you’ll want to factor taxes, insurance and upkeep into your retirement expenses.

**5. How do you intend to stay healthy and active?**

As your lifestyle changes in retirement, consider how you’ll maintain your mental and physical well-being as you age.

Health care	Physical fitness	Mental fitness
Health insurance	Join a health club	Take classes
Health savings account	Take walks	Go to concerts
Medical help lines	Learn martial arts	Play chess or cards
Medicare	Play golf	Write a book
Long-term care planning	Build a home gym	Practice meditation
Prescription drugs	Practice yoga	Maintain hobbies
Out-of-pocket costs		

**Financial considerations to think about:**

Even with Medicare coverage, the costs of health care in retirement can be significant. It’s important to account for these expenses in your retirement income planning and explore how solutions like long-term care insurance could help offset the expense of future care needs.

## 6. How do you want to make an impact?

Retirement goals can include helping others and giving back. Think about the people who matter to you, what you hope the future holds for them, and how you might help them realize their own dreams. What organizations or causes represent your values? How do you want to support them?

**Family:** Fund education, instill values or teach personal/financial skills.

**Community:** Serve on a board, provide volunteer outreach, do fundraising or donate money.

**Friends:** Form support groups or be a mentor.

### Financial considerations to think about:

If it brings you joy to see how your assets are making an impact on others, consider a "giving while living" approach for your estate. If you're financially secure, giving an early inheritance gift or making a substantial charitable donation can make a big difference in the lives of the people and organizations you care about. It may also provide tax mitigation benefits if you donate to charity through a qualified charitable distribution from your IRA, or if you use a donor-advised fund or other structured vehicles.

## 7. What do you want your legacy to be?

Our legacy is formed by the ideas, actions and causes to which we dedicate ourselves today. What's important to you? What do you want to pass on to others?

**Family and friends:** Children, siblings, parents, friends or pets.

**Spiritual interests:** Your place of worship, religious organizations.

**Schools:** Your alma mater, your family members' schools.

**Charities or causes:** Food banks, shelters.

### Financial considerations to think about:

As you reflect on your legacy, consider incorporating these values and priorities into your estate plan. Financial advisors at S&T Financial Services can help you identify strategies that may benefit your heirs and causes most important to you, while also potentially reducing the size of your taxable estate.

## Make your retirement dream a reality

When it comes to achieving a fulfilling retirement, having a clear vision of what you want will form the foundation for your financial goals and financial strategy. Financial advisors at S&T Financial Services can help you optimize your retirement income to help support your retirement lifestyle goals.

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