

# Avoid “Spending Paralysis” in Retirement

**Y**ou’ve spent a lifetime saving—now, is it time to learn how to spend? If you’re part of the financially shrewd percentage of the population that has a healthy nest egg, don’t let spending paralysis keep you from enjoying those hard-earned dollars. Consider these five reasons why you should flout tradition and spend your money in retirement:

3.

The **rules** don’t always apply to you .....



If you set preset saving percentages without considering specific spending habits or life expectancy, you may have over saved for retirement by as much as 20 percent.

Spending in most of retirement actually grows at a rate lower than inflation, until it accelerates in later years because of health care costs.

1.

Spending doesn’t always mean **wasting**.....

Sometimes, spending money upfront can reduce spending later on; spending money on reliable vehicles can help you avoid high maintenance costs, and spending on regular health checkups and good food can help you avoid expensive health problems.



4.

**Hoarding** now could hurt you in **taxes** later .....

If you have a lot saved in an IRA, waiting to take RMDs after age 70 ½ could put you in a higher tax bracket. It might make sense to take some of those RMDs earlier, increasing your cash flow now and reducing your taxes later.



2.

Not everything requires a **lump sum** payment .....

Long-term care insurance, 529 plans and health savings accounts exist for a reason—to help you save for and protect yourself from large costs in the future.

**For example:**

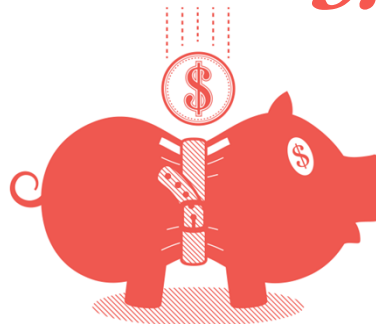
Pay \$2,007/year now rather than \$83,950/year later for long-term care expenses.



5.

“**Starvation**” spending diets can lead to **binges**

Denying yourself for a long time can lead to unpleasant binges later on. The same can be true of saving every penny. Remember, not every financial goal has to be savings-oriented—try setting money aside in a discretionary spending fund, which can help you see exactly how much you have to spend on fun expenses.



Capitol Private Wealth Group LLC can help alleviate some of your spending fear by setting up a responsible and safe spending plan for your retirement. Contact your Capitol Private Wealth Group LLC advisor for more information.

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