

**Question: I will retire in 5 years. How can I protect my money, both now and in the future?**

**Answer:** When you talk about “protection”, I believe you mean principal protection. However, when I hear the word protection, I believe that what you really want to know is how to grow and manage your nest egg so it can generate a steady stream of income in the future.

Creating a steady stream of predictable income is easy. You can work with your current investment custodian and have them pay you income on a pre-determined basis. For example, many of my private clients take money two times per month to replicate their former biweekly paycheck.

Creating sustainable income is harder since we don't know how long we'll live. So you'll need to monitor your withdrawals at least annually. Obviously, the less you take out, the lower inflation is, and the higher return you earn on your money, the longer it will last. Conversely, the more money you take out, the higher inflation is, and the lower your return is, the shorter your nest egg will last. Most experts agree that withdrawing 4% of your money every year beginning in year one and then increasing the amount of the withdrawal each year to account for inflation is a prudent strategy.

Creating increasing income is vital to your retirement success because the cost of goods and services is always going up. Even at a low inflation rate of 3%, you'd need to double your income in 20 years to maintain the same standard of living you have today. That's why it's so important to maintain at least some portion of your money in the equity (stock) market.

**Bill's Bottom-line:** Past performance is no guarantee of future results, but as of now, the equity markets have been the only place that has consistently delivered returns above inflation over long periods of time.



Bill Losey, CFP®, CSA, "America's Retirement Strategist", has nearly 20 years experience in the financial planning industry and has been interviewed on the CBS Radio Network, CNNfn, FOX's "Hannity & Colmes", and Bloomberg Business Radio. Bill publishes *Retirement Intelligence*, a free award-winning weekly newsletter that reaches over 5,000 subscribers worldwide. He offers advice and consulting, money management, and wealth coaching services to women and couples nationwide. Bill can be reached online at [www.MyRetirementSuccess.com](http://www.MyRetirementSuccess.com) or by calling 1-866-786-2521.