



Does Your Income Still Have You Covered?

If you have been retired for a few years, you may have settled into a comfortable rhythm with your finances. Your monthly withdrawals feel steady, your bills are paid, and on paper, everything adds up.

Consider this: does your income still buy what it used to? Inflation works quietly in the background, and over time, even a modest rise in the cost of everyday goods and services can chip away at the lifestyle you worked so hard to build.

What a Purchasing Power Check-Up Looks Like

Think of a purchasing power check-up as a simple gut-check against your own spending, not a complicated financial exercise. Start by pulling up your monthly budget from two or three years ago and comparing it to what you spend today. Are your grocery bills noticeably higher? Have your insurance premiums crept up? What about utilities, medications, or dining out? The U.S. Bureau of Labor Statistics reports that everyday costs rose more than 20% between 2020 and 2024, with categories that matter most to retirees, such as housing, food, and healthcare, climbing even faster.¹

If your withdrawals have remained the same over that period, your real purchasing power has declined even if the dollar amount has not changed. The goal of a check-up is simply to see whether your income has kept pace. If it has not, there may be adjustments worth exploring.

Practical Ways to Help Protect What You Have

The good news is that purchasing power is something you may be able to manage with appropriate planning. A few strategies are worth discussing with your financial professional:

- **Review your withdrawal rate.** Many retirees use a fixed percentage, but periodic reviews can help you adjust withdrawals in step with actual living costs, rather than habit.
- **Look at income sources with built-in growth.** Social Security includes an annual cost-of-living adjustment (COLA), which was 2.5% for 2025.² Understanding how the timing of your Social Security benefits relates to inflation may make a meaningful difference over the long run.
- **Consider your portfolio's inflation sensitivity.** Certain assets have historically helped offset the effects of rising prices. However, past performance is not indicative of future results and no investment strategy guarantees success. Your financial professional can help evaluate how your current mix may respond to inflation overtime.

Small Shifts, Big Difference Over Time

It is easy to assume that small price increases in any one category are too minor to worry about. But because retirement can span 20 to 30 years or more, even a 3% annual inflation rate could roughly double the cost of living over 24 years. That context is not meant to alarm you. It is a reminder that a brief annual review of your income and spending is one of the simplest, most empowering steps you can take to preserve the retirement you planned.

Staying ahead of inflation does not require a complete overhaul of your finances. It starts with awareness: knowing whether your dollars are still working as hard as you need them. A conversation with your financial professional can help you see the full picture clearly and make thoughtful adjustments if any are needed.

To learn more about defending your purchasing power, contact the office to schedule a time to talk.



¹ U.S. Bureau of Labor Statistics. "Consumer Price Index Historical Tables for U.S. City Average." Updated 2026. BLS.gov, https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical_us_table.htm.

² Social Security Administration. "Cost-of-Living Adjustment (COLA) Information." 2025. SSA.gov, <https://www.ssa.gov/cola/>.

The Surprising Joy of Learning Something Useless

A 2023 study published in Nature Medicine followed more than 93,000 adults aged 65 and older across 16 countries and found that those with hobbies reported better health, fewer symptoms of depression, and higher life satisfaction than those without — which means there has never been a better excuse to finally try that completely impractical thing you have always wanted to do.¹

- **Pick something delightfully pointless.** Bookbinding, celestial navigation, bread sculpting, or competitive rubber duck racing all count. The sillier, the better.
- **Start with one small step.** A library book, a YouTube tutorial, or a single class at your local community center is all it takes to begin.
- **Embrace being a beginner.** You are not doing this for a performance review. Mess up freely and often.
- **Find your people.** Most hobbies have a club or online community. Birdwatching groups, pottery guilds, and amateur astronomy societies welcome newcomers warmly.
- **Make it social.** Invite a friend, a grandchild, or a neighbor to learn alongside you. Shared fumbling is twice as fun.
- **Celebrate tiny progress.** Kept a sourdough starter alive for a week? That deserves recognition. The goal is joy, not mastery.
- **Rotate freely.** You are allowed to dabble and move on. Retirement is the season for curiosity without obligation.

Retirement hands you something rare: time that belongs entirely to you. Fill some of it with things that make you laugh and spark your curiosity. You've spent enough time being practical, go learn something wonderful.

¹ Mak, Karen, et al. "Hobby Engagement and Mental Wellbeing Among People Aged 65 Years and Older in 16 Countries." 11 SEP 2023, Nature Medicine, <https://www.nature.com/articles/s41591-023-02506-1>.

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