RETIREMENT MYTH #2:

"YOU'LL SPEND LESS IN RETIREMENT."

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One of the biggest challenges I see is that there is a lot of misinformation about retirement.

Retirement Myth #2: "You'll spend less in retirement."

Many people assume their expenses will automatically go down once they stop working and retire. That is often not the case.

One reason is healthcare.

Even if you're healthy, healthcare costs tend to increase as we age. Our bodies age also and that can result in joint replacement, eye surgery or other increased treatment expenses. Insurance premiums, Medicare costs, deductibles, copays, prescriptions, and other out-of-pocket expenses can become a larger part of your budget than you may have expected.

The second reason is basic living expenses.

Food costs rise. Insurance costs rise. Property taxes increase. Utility bills increase. If you're renting, rent often increases as well.

Many retirees find themselves spending money on things they finally have time to enjoy, such as travel, hobbies, and activities with family and friends.

The reality is that retirement does not automatically cost less.

Planning today for increasing expenses in retirement can help prevent surprises later.