

# What are the risks that can challenge financial security in retirement?

The goal of retirement planning is to help ensure that you have the financial resources to maintain your lifestyle throughout retirement. Even the best-laid plans may be subject to challenges. For this reason, it's important to plan for the six risks every retiree faces:

## 1. LONGEVITY



67% of men, and 75% of women over the age of 70 will live at least another 10 years. 20% of these men, and 34% of these women will live into their 90s.<sup>1</sup>

## 4. HEALTH CARE



Average health care costs rose 17.1% between 2013 and 2017.<sup>3</sup>

## 2. MARKET VOLATILITY



Since 1945, the S&P 500 has averaged a correction of at least 10% about once every 18 months.<sup>2</sup>

## 5. LONG-TERM CARE



70% of people turning age 65 will need some form of long-term care during their remaining lives.<sup>4</sup>

## 3. INFLATION AND TAXES



An average inflation rate of 4% will cut your purchasing power in half in just 18 years.

## 6. LEGACY



Spending down assets in retirement can diminish the financial legacy intended for family or a charity.

<sup>1</sup> Social Security Life Table Charts, social security administration, 2019

<sup>2</sup> S&P Capital IQ, "Outlook 2014: Good Years Often Follow Great Years" us.spindices.com

<sup>3</sup> Health Care Cost Institute 2017 Health Care Cost and Utilization Report

<sup>4</sup> LongTermCare.gov, Who Needs Care?

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