



ClearMatch™

MEDICARE

Financially Fit

The retiree's
guide to money

- ✓ Stretch Your Retirement Savings
- ✓ Find Hidden Sources of Income
- ✓ Enjoy Life More – While Spending Less!

4
Strategies
for Living
Comfortably
at 65+





Your golden years should be as bright and shiny as the name implies. They shouldn't be tarnished by money stress. Unfortunately, millions of retirees struggle to maintain the same lifestyle they had before retirement. But do you really need everything you used to have? Your situation is changing, and you'd be smart to change with it. In the pages that follow, you'll discover four ways to do just that. Get ready to adjust your priorities, discover new passions, and live your best retirement possible.

STRATEGY

#1

Find your dream job (part time)

Work isn't all bad. "Fulfilling work is a joy and also allows your assets to compound in the background until they're eventually large enough to support you," says Todd Tresidder, a financial coach at FinancialMentor.com and author of *How Much Money Do I Need to Retire?* In fact, people who work in old age are generally happier than those who don't, according to analysis from The Brookings Institute. But here's the catch: The work has to be voluntary. You have to choose to do it. If that sounds appealing, then one of these moneymaking paths may be right for you.



MEDICARE SIMPLIFIED

To make sure you're getting the Medicare benefits you deserve, speak with a ClearMatch Medicare licensed insurance agent at 888-921-1316.

GETTY IMAGES



HOW A \$30 PAIR OF DUMBBELLS CAN SAVE YOU THOUSANDS

Medical expenses and work lost to illness are responsible for about 530,000 bankruptcies each year, according to research in the *American Journal of Public Health*. A good healthcare policy reduces your risk, but to avoid the hospital entirely, a set of dumbbells might be your best investment.

Research shows that curls, bench press, triceps extensions, and other resistance exercises could improve your immune function while decreasing your risk of frailty, fall-related injury, type 2 diabetes, heart attack, and stroke. That's a pretty big payoff for \$30 worth of iron!

To see the greatest health benefits, follow the government's advice for older adults: Lift weights at least two days each week.

PICK UP SOME LOCAL SHIFT WORK

Think about the local businesses where you spend money. What if you could get them to pay you instead? If you're a golfer, you could become a groundskeeper. If you spend weekends at the bowling alley, look for hours at the concession stand. In both cases, you'll probably score free access while earning a paycheck.

Why it works: "Turning an avocation into a vocation can bring a lot of satisfaction," says Tresidder. He's seen it firsthand. Even if there's no career growth, you could find your dream gig.

EXTEND YOUR CAREER IN A LIMITED CAPACITY

You already have your place at the table, so rather than quit, consider stepping into a part-time or mentoring position. Your boss may welcome the opportunity to leverage your experience in a new way. But word of warning: This is wise only if you love your career. "You do not want to work a job you hate for 20 more years," says Tresidder.

Why it works: It's an easy transition, and the payoff is

bigger than the paycheck. In a Merrill Lynch survey of 1,856 working retirees, only 31% listed money as their sole motivation to stay on the job. Nearly two-thirds work to stay mentally active, while 42% do so to maintain social connections.

START A BUSINESS

Being your own boss can be as simple as hanging flyers around town to advertise your services as a handyman, house cleaner, or home-based doggy daycare. If you have access to affordable commercial space, you might even open a coffee shop or boutique retail store. Check out the U.S. Small Business Association (sba.gov) for programs that help first-time entrepreneurs.

Why it works: With a sole proprietorship, you get to choose your hours and customers. And if your little venture takes off, you might even find yourself with more income than you had before you were retired.



MEDICARE SIMPLIFIED

To make sure you're getting the Medicare benefits you deserve, speak with a ClearMatch Medicare licensed insurance agent at 888-921-1316.



EAT FOR HEALTH ON LESS THAN \$1 PER SERVING

You don't have to spend big to eat well.

BLACK BEANS \$0.14 a serving

Men over 50 should aim for 30 grams of fiber a day. For women, it's 21. Most fall short, but beans deliver 6 grams per half cup.

APPLE \$0.84 each (varies by variety)

Apples contain antioxidants called flavonoids, which may help prevent cognitive decline, according to a study in *Neurology*. Other flavonoid sources: bananas, grapefruit, and strawberries.

HOME-BREWED TEA \$0.04 per teabag

In a *Nutrition Journal* review of 283 beverages, tea emerged as one of the richest forms of liquid antioxidants. Coffee was up there too, but it had less consistency from one brand to another.



STRATEGY

#2

Reassess your investment approach

The current life expectancy for men and women in the U.S. is 75 and 80 years, respectively, according to the Centers for Disease Control and Prevention (CDC). But the long-term trend suggests that you might live considerably longer. So what does that mean for your money? You might need to stretch it further than you expected. "You have to assume the longest lifespan to assure that you don't outlive your assets," says Tresidder.

RETHINK YOUR RISK TOLERANCE

If you have savings, someone has probably advised you to put it into a low-risk investment portfolio to shield it from market drops. That makes perfect sense for short-term investors. But if you're 65 and healthy, you might need to think longer-term. "You could spend as much time in retirement as you did building the nest egg in the first place," says Tresidder. Moving money into riskier growth stocks can be dangerous if you don't know what you're doing, he says, so it's best to partner with a financial adviser before changing your investment strategy. But if you do it right, you could take advantage of big returns.

Why it works: "Historically, the stock market has spun off about 10% growth each year. That said, you shouldn't count on that in the short run. Tresidder points out that market valuations as of mid-2021 are at all-time highs, while interest rates are at extreme lows. That means near-term returns could be lower than usual, so keep your eye on the far future."

GIN UP SOME PASSIVE INCOME

The traditional retirement model is to spend your career building up a big pile of assets, and then spend your retirement drawing down on that pile. This is asset amortization. (*Amort* is Middle English

for "to kill," so you're essentially "killing" your wealth slowly.) This can be risky if you live a long time, so instead, use that pile of assets to create cash flow that can offset your living expenses. How? One way is to invest in a real estate rental. But a more affordable option would be to consider any property you already own. Convert a garage into an apartment and rent it out on Airbnb, or if you own land, clear a plot and list it for camping on a site like tentrr.com.

Why it works: Having a source of income allows you to create a budget around how much money comes in each month. "It's how you actually operate when you're retired," says Tresidder. "You get cash flow from your investments and then you spend it."



MEDICARE SIMPLIFIED

To make sure you're getting the Medicare benefits you deserve, speak with a ClearMatch Medicare licensed insurance agent at 888-921-1316.

STRATEGY

#3

Pursue joy and ignore everything else

Here's a simple approach to living happily on less: Stop spending on things that don't matter. "Go at everything based on what brings you joy," says Tresidder. Don't frame it as depriving yourself of fancy new things. Think of it as giving yourself permission to pursue low-cost activities that make you happy, such as camping alongside a river or spending time with family. "Swap the negative for a positive," says Tresidder. Of course, changing your mindset around lifestyle is easier said than done. Here are some adjustments that can help you prioritize.

GRAB A PEN

Alongside your financial portfolio, the American Psychological Association suggests creating a "psychological retirement portfolio." This is where you outline what life looks like for you in retirement. Include exercise and volunteering goals, along with the skills you want to learn and adventures you want to go on. As you write, be realistic about what you can handle with your current savings and income.

Why it works: A clear plan will keep you focused. You'll have a better idea of what to expect in the coming years, and you'll recognize

immediately when something falls outside of your plan. Your neighbor might be selling his fishing boat for a bargain, but if your psychological retirement portfolio doesn't involve dock fees and engine repairs, then it's easy to ignore.

THINK OF TIME AS AN ASSET

Retirement represents a big shift in resources. While working, you had high

cash flow and little free time. Now you have loads of free time with less income. It's useful to begin treating time as your most valuable asset, says Tresidder. To avoid drifting through days without purpose (the equivalent of spending lavishly), budget time the same way you do with finances. If you allocate at least half your day to goals — gardening, woodworking, a morning coffee ritual with friends, etc. — then you'll feel more satisfied with life.

Why it works: Buying a new smartphone or necklace can bring you joy, but the feeling is fleeting compared to experiences such as a hike or outdoor picnic.

Happiness is consistently ranked higher among people who consume "experiences" over "material goods," according to research published in the *Journal of Experimental Social Psychology*. Plus, a barbecue with friends costs far less than a new TV.

What financial problems do retirees worry about?

38%
Healthcare costs

28%
Social Security benefits

10%
Inflation

SOURCE: Fidelity Investment's Retirement Mindset Survey



3 CHEAP WAYS TO LIVE A FULL LIFE

If you want more bang for your leisure-time buck, look around you for low-cost ways to stay active, make friends, and satisfy your intellectual curiosity.

1. FIND CHEAP MEMBERSHIPS

Join a nature preserve for access to maintained hiking trails or a local YMCA that offers group classes and mature sport leagues. You'll build a community and stay active for very little money.

2. VOLUNTEER

Adults who volunteer have greater happiness and life satisfaction, according to a 2021 study in *The Journals of Gerontology*.

3. BECOME A SOCIAL CHAIR

Get all your local friends together for a standing poker game, book club, or rotating board game night. Social media can help you recruit members and organize events.



KEEP YOUR HEALTHCARE COSTS LOW

1. VISIT THE DOCTOR VIRTUALLY

Compared to office appointments, telehealth saves you \$19 to \$121 per visit, according to a study in the *American Journal of Emergency Medicine*.

2. STOP SKIPPING PHYSICALS

A study found that primary care physicians who focused more on preventive care created lower costs for their patients. The reason: Better health management resulted in fewer emergencies.

3. FIND A NEW MEDICARE PLAN

Some plans place no limit on how much you can spend in the event of a catastrophe such as a heart attack. To find a Medigap or Medicare Advantage plan that comes with an annual out-of-pocket maximum, call ClearMatch Medicare at 888-921-1316.



STRATEGY

#4

Cash in on your home

There's a decent chance you're carrying mortgage debt. As of 2016, more than 40% of people who entered retirement were still paying off their homes, according to Wharton School's Pension Research Council. "That's not necessarily a bad thing since mortgage interest rates have been crazy low," says David Rae, a certified financial planner based in Los Angeles. "But ask: Will you have to work forever to keep paying that mortgage?" If the answer is yes, consider unloading the burden.

DOWNSIZE YOUR HOUSE

People often buy big houses when money's good and then struggle to hold on later in life. Instead of fighting to keep the big yard and guest rooms you don't need, plan a yard sale to unload your extra possessions and then move into a smaller home or condo.

Why it works: Even if your house isn't fully paid off, the equity you have now may allow you to own a smaller place free and clear. That means no more monthly mortgage payments. But Rae cautions: "Be aware of the costs of selling, the realtor, taxes, and moving." Crunch the numbers ahead of time to make sure you're coming out ahead.

BECOME A RENTER

Renting can free you from the costs and burdens of homeownership — think taxes, insurance, and repairs. It also allows you to sample life in a new zip code. "I've found that a lot of people who wanted to try a new area or lifestyle benefited from spending time in a rental to get the lay of the land," says Rae. If you don't like it, you can leave.

Why it works: If you're lucky, the proceeds from selling your home could generate enough income to cover your rent. For example, a 3% return on \$425,000 throws off \$12,750 a year, or about \$1,060 a month. That covers the average rent on a one-

bedroom apartment, says the National Low Income Housing Coalition.

TAP YOUR HOME EQUITY

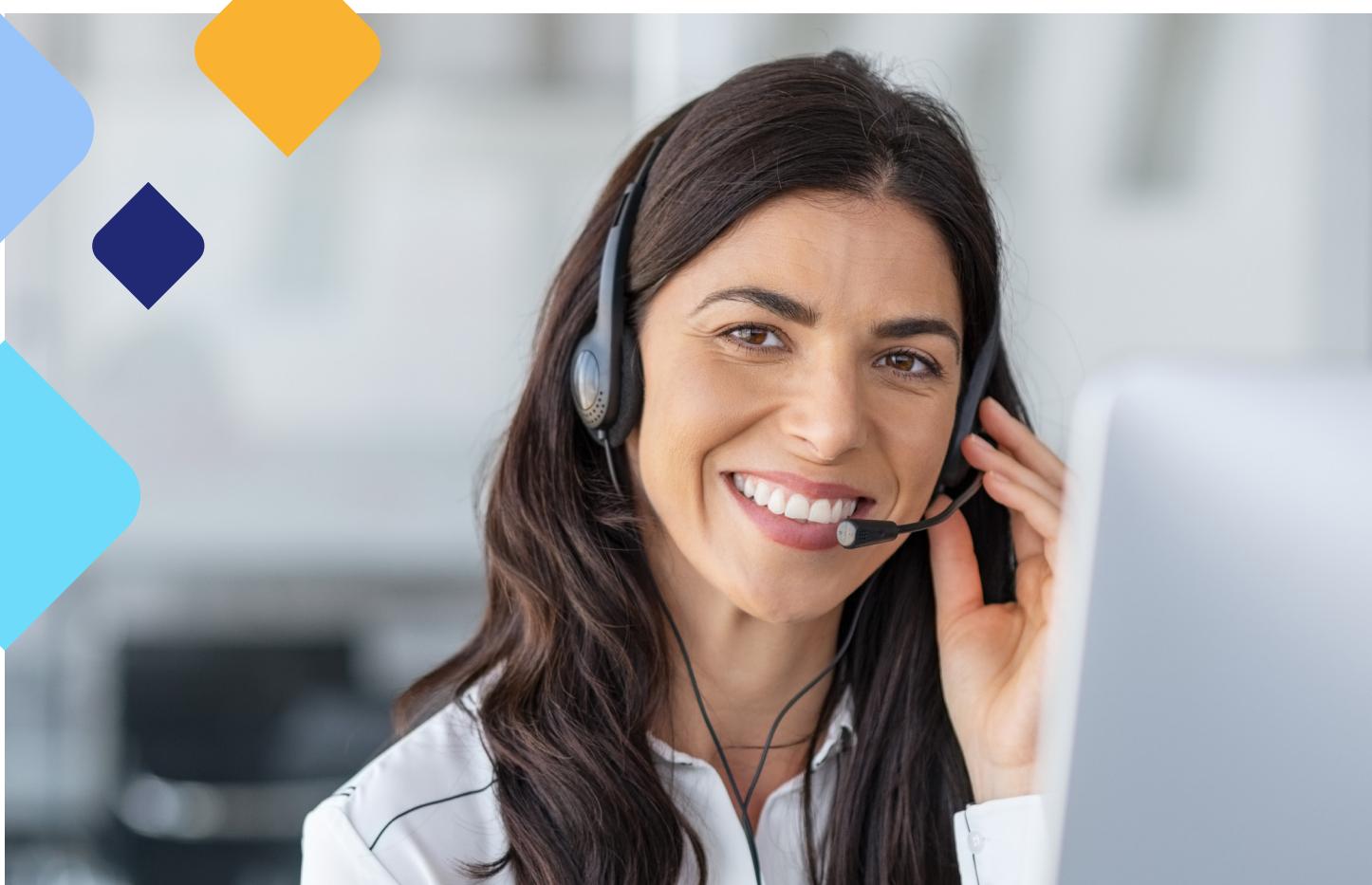
If you refuse to part with your home, you can free up cash with an equity loan or sell it back to the bank through a reverse mortgage. With the latter option, the bank pays you a monthly payment or a lump sum in exchange for equity on your home. You must be older than 62, and you should understand what you're giving up: The lender will get your home's proceeds when you or your heirs eventually sell.

Why it works: You'll free up money that would otherwise be locked away. A reverse mortgage won't give you the best return on your home, but it could be a sensible option for older homeowners. Before you sign up, "consult with an impartial financial adviser," says Rae.



MEDICARE SIMPLIFIED

To make sure you're getting the Medicare benefits you deserve, speak with a ClearMatch Medicare licensed insurance agent at 888-921-1316.



We know Medicare inside and out.

Let us help you compare plans to find the coverage that's right for you.



Call us to speak with an agent who can educate you on the basics of Medicare. 888-921-1316



Visit our website to compare the plans that are available in your zip code. ClearMatchMedicare.com



Follow us on Facebook for Medicare updates and expert tips that will help you live your best, healthiest life in retirement. facebook.com/ClearMatchMedicare