

Make Your Money Last— for Life

Yes, the economy seems especially unpredictable right now. But these expert strategies will help get the most out of your retirement investments for years to come.



By Lisa L. Gill Investigative Reporter

Updated August 30, 2026

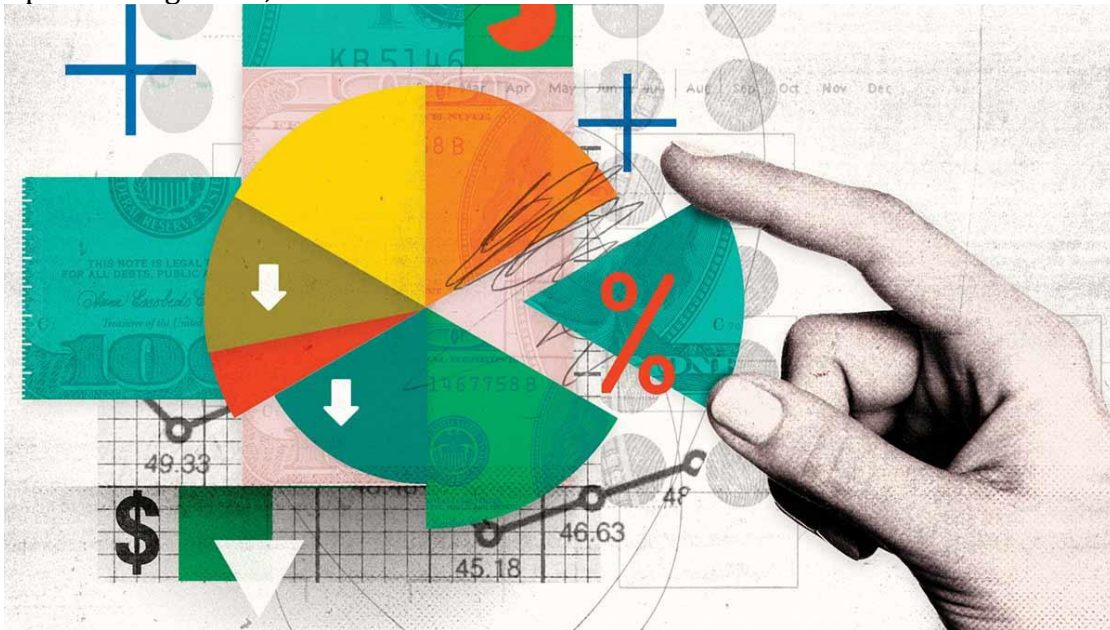


Illustration: Alex Williamson

You've followed the financial rules throughout your working life, funding your IRAs and 401(k)s, investing wisely, and paying down your most expensive debt. Doing so should have set you up for retirement. But today, the rules have changed. A stock market that's as volatile as ever and increasingly expensive everyday essentials may make you feel less confident about your nest egg at this point in life.

Should you pad your emergency fund? Move your stash into more conservative investments? Or do as 21 percent of people said they did in a 2025 medicare.gov by the Center for Retirement Research at Boston College and Greenwald Research, and put off retirement until you feel a little more secure?

We talked to experts who shared strategies to help safeguard your money now and into the future. These steps should also help you cover unexpected costs, such as major home repairs and enjoyable events like vacations and family celebrations.

“You don’t want to sit on big piles of money, afraid to spend it, because you don’t know if you’ll have enough,” says Gal Wettstein, an associate director at the Center for Retirement Research. “If you have a plan, you can be more at ease spending what you do have.” Here’s the blueprint for a comfortable retirement.

Take Stock of Your Financial Life

With the cost of living rising, knowing where your money is going each month and what you’re getting from various income streams is especially important today, says Scott Weiss, a certified financial planner (CFP) and principal at Weiss Financial Group in Mahopac, N.Y.

Begin with a list. Note the income you receive monthly, quarterly, and annually from, say, pensions, 401(k) plans, and similar funds; Social Security; annuities; and any earnings from stock dividends, bonds, or other investments, he says.

Next, list all of your expenses, including mortgages or rent, utilities, healthcare premiums, gas, food, and entertainment. (See whether your bank offers a year-end analysis from your checking or credit card accounts.)

You can plug those numbers into a retirement calculator offered by a website such as Bankrate, Dinkytown.net, or T. Rowe Price to learn how long your income will support your spending. You or a financial adviser can also run a Monte Carlo simulation, which will reveal how your funds would perform in various scenarios (say, during a recession or for medical expenses).

Consider your living situation. Ideally, you'll want to spend no more than 28 percent of your monthly income on the upkeep, insurance, property tax, and mortgage of your home (or 30 percent if you rent). If you own, try to set aside 1 to 4 percent of your home's value for repairs and maintenance, says Chuck Bell, CR's policy analyst. That would be between \$4,500 and \$18,000 for a home worth \$450,000, for example. You may also want to think about downsizing.

Firm up your Social Security plan. Because people are living longer—1 in 3 65-year-olds may live until at least age 90—deciding when to begin withdrawals can have a huge impact on lifetime benefits. You can start taking Social Security as early as age 62, but you'll receive roughly 7 percent more each year if you wait until 67. Hold off until age 70, and your payments will be up to 24 percent higher than if you started at 67.

When Should You Take Social Security?

The example below is based on someone who would receive a \$2,000 monthly benefit if they retired at age 67, the official age of retirement for those born in 1960 or later. While most retirees are better off waiting to take Social Security as long as possible, there are instances when it makes sense to start sooner, such as if you must stop working at 62 and need the funds to cover bills.

Age

62-\$1,400

63-\$1,500

64-\$1,600

65-\$1,733

66-\$1,867

67-\$2,000

68-\$2,160

69-\$2,320

70-\$2,480

Source: Social Security Administration.

Check In on Your Portfolio

It's important to review your investment portfolio at least annually, says Ryan Viktorin, CFP, vice president and financial consultant at Fidelity Investments, a wealth management firm in Boston, especially if your priorities have recently changed. Perhaps you have a wedding to pay for, or you've decided to move to be near grown children. Such events could require additional funds and adjustments to your investment strategy.

Prep for a long retirement. Go over your portfolio with an eye toward considering less risk as you get further into retirement, Viktorin says. Stocks have historically been a source of long-term growth and could be a good way to protect your nest egg against inflation. But they can be volatile in the short term, Weiss says. Bonds may provide greater stability and income but also carry some risk. For about the first 10 years after you've stopped working, it's common to have a higher withdrawal rate than toward the end of retirement, Viktorin says. That's why it's important that your portfolio is appropriately invested so that money can potentially grow as much as possible for those later years. Ideally, a financial adviser can create a customized plan for your situation.

Withdraw wisely. One way to help make sure your money doesn't run out during your lifetime is to follow what's known as the 4 percent rule.

Developed by William Bengen, who earned a degree in aeronautics from MIT and eventually became a financial planner, it works like this: In Year 1 of retirement, you'll withdraw 4.15 percent of your retirement funds (on a \$1,000,000 portfolio, that would equal \$41,500). Every year after that, you increase the withdrawal amount based on inflation. So in Year

2, if inflation is 3 percent, you'd increase the withdrawal by \$1,245 ($0.03 \times 41,500$), for a total of \$42,745.

Bengen determined that this method, regardless of the market's performance, will keep your retirement fund solvent for 30 years. It assumes, among other things, that your fund holds a minimum of 50 percent in stocks.

An updated version of the 4 percent rule accounts for changes in your financial life. "Retirement income planning works best when it reflects your actual spending needs," Viktorin says. If you expect a year with bigger expenses—travel, healthcare costs, or a major purchase—you may need to withdraw more. If it's a lower-spending year, you may be able to take less. "The important thing is to revisit your plan regularly, so your withdrawals stay aligned with your goals."

Stop the Leaks and Save

Review investment fees. This is a surprisingly effective move, and one that legendary investor Warren Buffett recommends. Typically, investment firms charge 0.5 to 2 percent of a 401(k) fund's value each year to manage the account. The example at left shows just how much those fees can affect your savings over time.

Advisers we spoke with say firms like Fidelity and Vanguard charge some of the lowest fees in the business. Still, it's wise to check the fine print on any account related to your investments and retirement. You can do this with the help of a financial adviser or by reviewing your quarterly or annual statements.

High Fees Can Really Cost You

Investment firms charge clients fees to manage their funds, such as 401(k) plans.

Seemingly small differences can have a significant effect on how much you end up with at retirement. See the example below, which assumes a 7 percent annual return.

Diagram: a starting 401(k) balance of \$25,000 grows to \$163,000 after 35 years at a 1.5 percent fee, versus \$227,000 after 35 years at a 0.5 percent fee.

\$25,000	Balance after 35 years at 1.5% fee	\$163,000	Balance
	after 35 years at 0.5% fee	\$227,000	

Make some tax-smart moves. Money withdrawn from tax-deferred accounts, such as a 401(k) or traditional IRA, will be hit with federal and possibly state income tax. To reduce your tax burden, consider moving some funds into a Roth IRA, which is taxed at the outset, not at withdrawal.

Plus, taxes you initially pay on a Roth may be lower than those you'd later pay for withdrawals from a traditional IRA, especially if federal taxes increase in the coming years, says Wettstein at Boston College. You'll likely save the most in taxes if you make this move while your income is low.

Pare down your debt. Nearly all retirees carry debt that isn't a mortgage—car loans or credit card balances, for example. The median amount is \$11,349, according to a 2025 analysis by LendingTree, an online loan marketplace and research firm. That can cost you dearly. LendingTree also says that the average credit card interest rate in June of this year was 24 percent (meaning that on an \$11,349 balance, you'd pay about \$227 in monthly interest fees). Pro tip: Pay down debts with the highest interest rates first, says CR's Bell.

Take the required minimum distribution. This usually means you must start withdrawing money from 401(k)s and traditional IRAs the year you turn 73 to avoid penalties. (This requirement doesn't apply to Roth IRAs, on which you've already paid taxes.)

Freeze property taxes. Across the U.S., property taxes increased 32 percent over the last five years, according to the Federal Reserve Bank of St. Louis, with little end in sight. In some states, you can freeze your

property tax bill at the rate it was when you turned 65, Bell says. In areas where this isn't offered, ask about property tax exemptions or credits for older adults. Doing so can save hundreds—even thousands—each year, he says.

Getting Ready to Retire? Make These 5 Moves Now.

At least a year in advance of your retirement—or earlier, if possible—consider hiring a certified financial adviser and taking these important steps.

Tally up your savings. If you retire at 65, it's ideal to have at least 25 times your annual spending. If you spend \$50,000 a year, aim for \$1.25 million saved.

Consider catch-up contributions. Don't have quite enough? Working longer lets you fund your 401(k) beyond the standard \$24,500 a year. In 2026, people 60 to 63 can contribute an additional \$11,250, and those 50 to 59 can add \$8,000.

Log in to [socialsecurity.gov](https://www.socialsecurity.gov). Find your official retirement age (67 for most people) and see how much you would receive monthly at various ages.

Check your 401(k)-target retirement fund. These funds are designed to reduce risk over time by adjusting the mix of stocks and bonds. But research suggests that different funds with the same target retirement date may have wildly different risk levels. Gary Koenig, a former vice president for financial security at the AARP Public Policy Institute in Washington, D.C., and principal at Koenig Consulting Group, suggests reviewing how the fund's investment ratios change over time. If there's too much risk for your comfort, consider changing to a fund with a closer retirement date. Doing so will increase the amount of bonds in your fund.

Sign up for Medicare. Do this at [socialsecurity.gov](https://www.socialsecurity.gov) three months before you turn 65, the month you turn 65, or three months after. Part A

covers hospital stays, and there's usually no monthly premium. But in 2027, expect to pay about \$218 per month for Part B, which covers doctor visits. You'll also need to decide between traditional Medicare and Medicare Advantage. You can research your options at [medicare.gov](https://www.medicare.gov) or call CR's Medicare partner, Chapter, at 910-500-1178 for free help.

Find a Great Financial Planner

Let's face it: A deep dive into your finances can feel overwhelming, especially if you're worried you haven't saved up enough for retirement or if you're thinking of retiring early. But "a good financial planner can help turn your nest egg into an income stream that will last," says Gary Koenig, principal of Koenig Consulting Group in Arlington, Va.

A certified financial planner (CFP) is the right choice for most people. As fiduciaries, CFPs legally must do what's best for their clients. A fee-only CFP is your best bet because they're paid solely for advice and planning, not based on brokerage fees or commissions they earn by selling financial products.

Plan on meeting several CFPs (ask about a free consultation) before you choose one. Expect to be charged a percentage of your assets (1 percent is common), a flat fee starting at several hundred dollars, or hourly.

Get recommendations from friends and family, or go to the website of one of these organizations:

- CFP Board of Standards
- Financial Planning Association
- National Association of Personal Financial Advisors

Editor's Note: This article also appeared in the September/October 2026 issue of Consumer Reports magazine.

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you trusted information, so you have the answers you need. Not just so you can buy an appliance or car with confidence, but also so that you can know what's safe for you and your family. As a nonprofit organization, we rely on the support of our members to help raise the standards of the products and services we use every day. Every donation, no matter the size, contributes to this work.