

Retirement *in Sight*

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES
PRESENTED BY THE ROSSELOT FINANCIAL GROUP - JUNE 2020

QUOTE OF THE MONTH

“The real voyage of discovery consists not in seeking new lands but seeing with new eyes.”

MARCEL PROUST

YOU MIGHT SPEND LESS – LATER IN RETIREMENT

A 2019 whitepaper by the Employee Benefit Research Institute (EBRI) indicates that Americans tend to spend less as they age.

EBRI analyzed a study from the University of Michigan, which tracked spending levels of Americans aged 50 or older for 12 years. Looking at this data, EBRI found that households headed by people aged 75 or older typically lived on 20% to 25% less per year than those aged 65 to 74.

For that matter, they spent an average of one-third less each year than households aged 50 to 64. Average housing, clothing, food, transportation, and entertainment expenses all declined with time, and there was also a slight decrease in charitable contributions. Health care expenses, unsurprisingly, were the exception. Hobbies, traveling, and socializing during the early years of retirement tend to promote household spending, EBRI notes, while inflation pressure seems to

be a factor in reducing it. In conclusion, EBRI observes that, “retirees are adept at adjusting their consumption as needed in order to fit their circumstances.”¹



TRAVEL TIP

Consider COVID-19 risk on a summer road trip

The Centers for Disease Control and Prevention is no longer advising Americans to refrain from “nonessential” domestic travel, as it did earlier in the COVID-19 pandemic. (It still states that Americans should not travel internationally.) If you go on a long drive this summer, the CDC urges you to consider whether COVID-19 cases are spiking both where you live and at your destination.

Source: AARP.com, May 22, 2020

ARE YOU CONSIDERING THE COUNTRY LIFE?

A Harris Poll, conducted in May, of 2,030 U.S. adults found some interesting choices regarding where Americans would like to live at the moment, particularly seniors. The research firm discovered that the appeal of rural areas, or at least, exurban or suburban areas, may be growing as a result of the COVID-19 pandemic.

Harris asked adults if the pandemic made them want to live in an urban, suburban, or rural community. Forty-four percent of baby boomers (by Harris’ definition, those aged 50 to 64) said that they would currently prefer to live in a rural area more than 20 miles from a major city. Seniors (defined as respondents aged 65 or older) preferred inner-ring and outer-ring suburbs, perhaps influenced by the need to readily access health care services. Thirty-nine percent of seniors preferred living in a community within 10 miles of a major city, and 21% preferred living in within 10 to 20 miles of a major city. Just 15% of baby boomers and 7% of seniors told Harris that they would like to live in a major metropolitan city at this time.²



DID YOU KNOW?

Major Landslide

The largest landslide in recorded history may have occurred at Mount St. Helens. When the Cascades Range peak violently erupted on the morning of May 18, 1980, its north face roared downhill at more than 100 miles an hour, flattening about 10 million trees and wiping out nearly all vegetation in its path for more than 10 miles. The mountain was left 1,700 feet shorter as a result.³

ON THE BRIGHT SIDE

The deadline for filing your 2019 federal taxes has been extended to July 15, 2020. Correspondingly, July 15, 2020, is also your deadline for making 2019 IRA contributions.⁴

You may continue to contribute to a Roth or Traditional IRA past age 70½ under the SECURE Act, as long as you meet the earned-income requirement for these retirement accounts. There is a phaseout of eligibility to make a Roth IRA contribution if your adjusted gross income falls within certain limits. These limits may be adjusted periodically by the Internal Revenue Service.



BRAIN TEASER

This Eastern European region was once part of Hungary, but it is now under Romanian control. It takes its name from the Latin for “the land beyond the forest.” What is it?

STUMPED? CALL 513.232.6500 FOR THE ANSWER!

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CITATIONS.

- 1 - PlanSponsor, October 4, 2019
- 2 - The Harris Poll, June 2, 2020
- 3 - History.com, May 15, 2020
- 4 - Fox Business, March 20, 2020