

RETIREMENT: SIMPLIFIED

AVOIDING THE TOP 10 RETIREMENT REGRETS



BEAR MARKET
FINANCIAL SERVICES

CURTIS JAMES

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INTRODUCTION

Welcome, future retirees, reluctant workers, and anyone who just realized their 401(k) isn't a magical money tree.

Retirement is supposed to be the best time of your life, but for many, it comes with a few regrets. The part we sometimes learn too late is that when it comes to retirement, there are no do-overs. Unlike my golf game, we can't pretend that shot didn't count and hit it again. We get one chance to do it right and build the retirement you've always dreamed of.

THE KEY TO SUCCESS IS BEING INTENTIONAL WITH YOUR PLANNING.

At Bear Market Financial Services, we help families navigate the biggest challenges inside of retirement and design strategies to accomplish one goal: help our clients successfully prepare for retirement. This booklet explores some of the biggest retirement regrets so we can help you plan and avoid them. Because let's face it – no one retires thinking,

"I can't wait to be bored and broke!"

I didn't write this based on some fancy Harvard study – it's actually based on the countless conversations I've had with real clients over my years as a financial advisor. These are the real challenges retirees are grappling with right now. Hopefully, this gives you some helpful insights (and maybe a few "aha!" moments) as you gear up for those blissful years ahead.

CURTIS JAMES

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1 | NOT SAVING ENOUGH FOR RETIREMENT

Let's be real—most of us aren't sitting on a billionaire's yacht, sipping champagne and naming islands after ourselves. The truth is the majority of people find themselves wondering if they've saved enough, waking up in a cold sweat at 2 a.m. anxious about whether their golden years will be spent enjoying piña coladas on a beach or surviving on instant ramen while trying to keep the heat bill low. Longer life expectancy, rising healthcare costs, and inflation all conspire like a heist movie crew, plotting to drain our bank accounts before we're done enjoying them.

SO HOW DO YOU KNOW WHEN YOU'LL BE ABLE TO RETIRE AND NOT RUN OUT OF MONEY IN RETIREMENT?

First, take a deep breath. Hold for five seconds, then exhale. Feel better?

IF NOT, LET'S DIVE DEEPER AND MAP OUT A STRATEGY:

STEP ONE: Face the numbers. It might be scary, but knowing how much you need versus how much you have will help us take action. We all like to think we'll live frugally, happily knitting sweaters and growing tomatoes. But let's be honest—those grandkids aren't going to spoil themselves, and that new gadget everyone's raving about? You need it.

STEP TWO: Evaluate the current situation and start mapping out a successful strategy for how to bring it all together. No skyscraper was ever built without a blueprint, and no Superbowl was ever won without a gameplan. At Bear Market Financial Services, we believe in designing elite retirement plans for our clients through four main areas of focus:

- RISK** – Are your assets overexposed to risk for this chapter of your life?
- INCOME** – Do you have guaranteed income sources inside of retirement?
- TAXES** – What is the impact of taxes on your accounts?
- LEGACY** – Is there a plan for after you're no longer here?

Finally, don't panic. Retirement doesn't have to mean sipping soup in the dark. With a little planning, some smart saving, and a diversified portfolio, we can build a solid nest egg to enjoy the retirement you've always imagined.

2 | SACRIFICING THE QUALITY OF RETIREMENT

Ah, retirement—the golden years of relaxation, travel, and finally having time to take up that hobby you’ve been putting off for decades (snorkeling, anyone?). But lurking in the shadows of this idyllic dream is a nightmare that keeps many retirees awake at night: **running out of money** before running out of life.

Picture this: You’ve bid farewell to the daily grind, traded in your office chair for an adirondack chair up at the lake, and life is good. But fast-forward 15 years, and suddenly your financial advisor is gently suggesting a career comeback because you could use the extra income in order to make it to the finish-line. This is not what you signed up for!

One of the biggest challenges of retirement planning is the unknown. How long will you live? Will your expenses skyrocket due to healthcare? Will inflation turn your carefully saved nest egg into little more than lunch money? What if the stock market takes a turn for the worse and the 401(k) turns into a 201(k) seemingly overnight?

When people lose money, they get scared. As a result, they put a death-grip on their remaining funds because the last thing they want is to run out of money. They end up sacrificing the quality of their retirement at a time of their life that they shouldn’t have to...



THAT TRIP TO ITALY YOU’VE ALWAYS DREAMED OF?
“Maybe in a few years.”

THAT NEW PONTOON YOU’VE BEEN PICTURING?
“Now is not the time.”

COLLEGE FUND FOR THE GRANDKIDS?
“Hope they get a scholarship!”

THE KEY TO AVOIDING THIS GRIM FATE?

Savvy Strategizing - diversified investments, which typically include a combination of insurance-based products and balanced investments, plus a good amount of cash as a “just in case” fall back fund. Let’s create guaranteed income streams that aren’t impacted by the fluctuations in the market.¹ Because let’s face it: you want your golden years to be, well, golden—not spent sacrificing the quality of retirement you’ve always dreamed of due to things far outside of your control.



3 | RELYING ON SOCIAL SECURITY

Relying solely on Social Security in retirement is a bit like trying to live off free samples at Costco—you might get by for a while, but sooner or later, you're going to need something more substantial. While Social Security is a vital safety net, for today's retirees it is not designed to be a sole source of income. Instead, it's more like a financial appetizer—helpful, but not enough to satisfy all your retirement cravings.

One of the biggest concerns is that Social Security simply doesn't pay enough to keep up with the general cost of living. The average monthly benefit in 2024 was around \$1,900,² which might cover your Netflix, groceries, and gas in the car, but good luck squeezing in the mortgage, healthcare, travel, spoiling your grandkids, and, you know, enjoying life. Inflation can also chip away at your purchasing power over time, making it even harder to stretch those dollars.

Another major issue? Unexpected expenses. Medical costs tend to rise as we age, and Social Security doesn't exactly hand out bonus checks for surprise hospital bills or the new hip you weren't expecting to need (because pickleball is way more physical than you were expecting!).

Then there's the question of Social Security's long-term stability. With an aging population and fewer workers paying into the system, experts warn that by the 2030s, benefits could be reduced unless Congress makes some serious changes.³ That means depending entirely on Social Security could leave you feeling like a contestant on the world's worst game show where the prize money keeps shrinking.

Most people don't have guaranteed pensions anymore, either. This means that in order to design successful retirement strategies the missing income gap needs to be filled from your other retirement assets—the IRAs, IRAs, 401(k)s, Roth accounts, etc. Which is why we need to be monitoring the risk-levels of those assets as we get older and start mapping out solid strategies for creating income inside of retirement.

BOTTOM LINE

Social Security should be part of your retirement plan, not the whole plan. Think of it like seasoning—it enhances the dish, but you still need a solid meal underneath. But even if you don't feel like Bobby Flay in the metaphorical kitchen of retirement, Bear Market Financial Services has the recipe book to bring it all together.



4 | SAVING AN EMERGENCY FUND

Saving an emergency fund in retirement might sound like an oxymoron—after all, isn't the whole point of retirement to relax and enjoy life without financial worries? But here's the thing: Life loves surprises, and not all of them come with confetti and cake. Some come in the form of unexpected medical bills, home repairs, or the classic "Your car's making that noise again" scenario.

An emergency fund in retirement is crucial because, unlike in your working years, you no longer have a steady paycheck to fall back on. Sure, Social Security and retirement savings accounts help, but dipping into your investments at the wrong time (like during a market downturn) can be costly. You don't want to sell your stocks at rock-bottom prices just because your roof decided to imitate a waterfall.

Medical expenses are another wildcard. Even with Medicare, there are deductibles, co-pays, and the inevitable "Wait, insurance *doesn't* cover that?" moment. And let's not forget the potential need for long-term care, which can drain savings faster than a grandkid in a toy store.

Then there's the fun part: family. Your adult children might be financially independent... or they might show up on your doorstep with a suitcase, two kids, and a dog because life threw them a curveball. It's great to help, but not at the expense of your own stability.

So, having a cash change—typically six months to a year's worth of expenses—keeps you from financial stress. Plus, knowing you have a safety net means you can actually *enjoy* retirement instead of worrying about what's lurking around the next corner. After all, retirement should be about bucket lists, not budget panics!

5 | CARRYING DEBT INTO RETIREMENT

Back in college, I went on a date with a girl named Katherine. Tacos and margaritas—should be a fun night! Before the server was even able to bring the first round of beverages, I had already been informed about her two ex-boyfriends, recent family drama, the crippling debt she was in, and how her cat was on its last life. The cat comment alone should have been enough to know—this wasn't going to work out. Sometimes you have to leave the “old” behind, so you can truly enjoy the “new”.

DEBT IN RETIREMENT? IT'S THE BAGGAGE YOU NEED TO GET RID OF.

Retirement is supposed to be your golden years, filled with relaxation, travel, and finally having time to figure out how to program your smart TV. But if you're still making monthly payments on a mortgage, credit cards, or loans, that dream might turn into a financial nightmare.

One of the biggest concerns is that most retirees live on a fixed income. Unlike when you were working and could pick up extra hours or switch jobs for better pay, Social Security checks and retirement savings don't magically stretch to cover rising debt payments.

Another issue? Interest rates don't retire when you do. Credit card debt and variable-rate loans can keep growing, making it harder to get ahead. And let's not forget medical expenses—because, like it or not, aging comes with a few surprise maintenance costs. The last thing you want is to choose between paying off an old car loan or getting that knee replacement you've been putting off.

THE BEST WAY TO AVOID DEBT HEADACHES IN RETIREMENT?

Plan ahead. Pay down high-interest debts before you leave the workforce, avoid taking on new loans, and live within your means. If we're able to eliminate the bigger liabilities off the balance sheet before we start retirement, then it's nothing but tacos and margaritas ahead!





6 | BLINDSIDED BY HEALTHCARE COSTS

Here's a stat that will blow your mind: Fidelity's annual Retiree Health Care Cost Estimate showed that the average couple entering into retirement underestimates health care costs by over 350%.⁴ That's not even close! It's like bringing a Dixie cup to bail out the Titanic—it's optimistic, but wildly insufficient.

Medical costs have a way of creeping up on retirees like a thief in the night (but wearing comfy orthopedic shoes). You might think Medicare has your back, but it doesn't cover everything. Prescription drugs, dental work, and those surprise hospital visits all add up. One minute, you're enjoying your golden years; the next, you're wondering if you should sell a kidney—except, ironically, that hospital bill would probably cost more than the sale price.

Then there's the elephant in the room: long-term care (LTC). The phrase alone sounds like it should come with a horror movie soundtrack. Assisted living, home care, or nursing facilities can drain savings faster than your grandkids on your Amazon account. If you live in the Minneapolis area, a recent survey showed that

the average cost for LTC is between \$8,000 - \$12,000 per month.⁵ And let's be honest, nobody wants to rely on their children for care—mostly because they can barely remember to water their own houseplants.

Many families avoid traditional long-term care insurance plans because of the high price tags. So, what's the solution? Well in this case we have to get creative! What if we used a fully-funded life insurance plan with a LTC rider to help cover those additional expenses? That would give you the money you need, **tax-free**, without sacrificing the benefit to your loved ones if you never end up needing it.

Burning through your assets and waiting for Medicaid isn't the answer. A good health savings account (HSA), creative long-term care coverage, and a solid financial strategy can help you avoid the sticker shock of unexpected medical bills. Because let's face it—retirement should be about enjoying life, not dodging bills like you're in a game of financial dodgeball.

7 | RETIRING AT THE WRONG TIME

Retiring at the wrong time is like showing up to a party either way too early or embarrassingly late—you either spend years waiting for the fun to start or arrive when everyone else is heading home.

When it comes to timing, one of the biggest concerns is the market. If you retire right before a major downturn, your savings can take a hit faster than a toddler with a bowl of ice cream. Imagine quitting your job, only to see your investments nosedive the next day—suddenly, that “comfortable” retirement starts looking more like a long-term camping trip (and not the fun kind).

This unknown variable is referred to in the industry as **Sequence of Returns**, and is one of the most crucial concepts to comprehend for successful retirement

planning. We have zero control over the ups and downs of the market, but the timing of those returns can drastically change the outlook of your retirement. This plays heavily back into the previous topic of risk vs. safety, and how over-exposed your retirement assets are at the time you need them most.

Then there's inflation. If you retire too early, your money might not stretch as far as you hoped. That dream of traveling the world? It might turn into a reality of traveling no farther than your backyard. Instead of sipping margaritas on the beach, you could end up stretching a single teabag for three cups of tea. Retiring too early comes with a set of challenges we need to be prepared for.

On the flip side, waiting too long to retire can mean missing out on the good (or even the **best**) years of relaxation and fun. You don't want to wait until you can't hike that trail because of your knee or sit long enough on your hip for a long plane ride. There's no point in working yourself into exhaustion just to finally retire when all you want is a nap. Even if your idea of the “perfect retirement” is doing absolutely nothing at all, the sooner we can get you out from behind the desk and actually start enjoying retirement—that's a win.



THE KEY IS —
**TO RETIRE WHEN YOUR FINANCES, HEALTH,
AND SANITY ARE ALL IN ALIGNMENT.**

This ensures we show up to the party right on time.
(You remembered to bring some wine, right?)

8 | FAILURE TO PLAN FOR INFLATION

Long walks on the north shore, golfing at Breamar Golf Course, enjoying a Juicy Lucy at Matt's (way better than 5-8 Club for the record), or even sneaking in some spontaneous naps on the couch—retirement is supposed to be all about relaxation. But lurking over the horizon, like a dark cloud on your sunny day, is inflation—quietly washing away the value of your hard-earned savings.

Inflation means that over time, your money buys less and less. A gallon of milk that cost \$3 today might be \$6 in twenty years. And don't even get me started on coffee—by 2045, a simple latte might require a small loan. If you're living on a fixed income, this can be a serious problem. What seems like a comfortable retirement nest egg now might feel like pocket change down the road.

Think of it this way: If inflation averages 3% per year, in 24 years, prices will double. That means the \$50 steak dinner you enjoy today could be \$100 in your golden years. The only way that's affordable is if you've either (A) become a millionaire or (B) switched to an all-noodle diet.

Social Security tries to keep up with inflation, but let's be honest—government adjustments tend to be as sluggish as a turtle in a hammock. Meanwhile, your retirement savings need to work harder than ever to keep pace. That's why smart retirees invest in inflation-resistant assets and create increasing income from retirement products that can help keep your money ahead of the curve.

SO, WHAT'S THE TAKEAWAY?

Plan ahead and diversify! Do not wait until you're already retired to put an inflation strategy together. At Bear Market Financial Services, we believe retirement should be about enjoying life, not rationing your morning coffee. After all, you've earned the right to splurge—just make sure your money lasts long enough to keep up with *life's rising price tags*.



9 | ANNUITIES: BIGGEST LIE TOLD BY WALLSTREET

Be honest...did you just read this chapter title and throw up a little bit in your mouth?

Annuities in retirement are like the Taylor Swift of financial planning—you either love them or hate them. There's a lot of confusion, half-truths, and just plain bad advice floating around about these financial products. Some people hear the word “annuity” and imagine an insurance company just rolling in the profits, while others think it's a golden ticket to stress-free retirement. The truth? Well, it's somewhere in between.

One of the biggest misunderstandings is that annuities are just bad investments. The problem with this thinking? Annuities aren't investments at all. They're insurance products designed to provide guarantees¹ — whether that's keeping your money safe from market loss, creating lifetime income, or some sort of legacy benefit. Comparing them to standard investments is like comparing LeBron James and Muhammad Ali. They're just **different**. Each can have a massive benefit to your financial plan, but it really comes down to what you're comfortable with.

Did you know that there are actually seven different types of annuities? The majority of people don't realize that. They just hear the word “annuity” and immediately think of what grandma used to have. But there are...

1. Single Premium Immediate Annuity (SPIA)
2. Multi-Year Guaranteed Annuity (MYGA)
3. Fixed Annuity
4. Fixed Index Annuity
5. Variable Annuity
6. Variable Index Annuity
7. Qualified Longevity Annuity Contract (QLAC)

Wallstreet has conditioned us to believe that annuities are bad. We hear the word and immediately think negatively. When you ask your broker about annuities s/he tells you there are high fees, high commissions, and you won't make any money, that your money is tied up and you'll never be able to get it out without a penalty. These are common oversimplifications designed to do one thing: scare you. Think of it like buying a car—yes, some have ridiculous markups and are pieces of junk, but if you do your research, you can find a solid deal and a reliable vehicle for years to come.

BOTTOM LINE?

Annuities can be great for the right person, but they're not one-size-fits-all. Personally, we love Fixed Index Annuities! But they have to fit the long term goals and objectives of the clients who are requesting them. Do your homework, talk to an annuity specialist on our team if you have questions, and don't believe everything your crypto-loving uncle tells you at Thanksgiving.

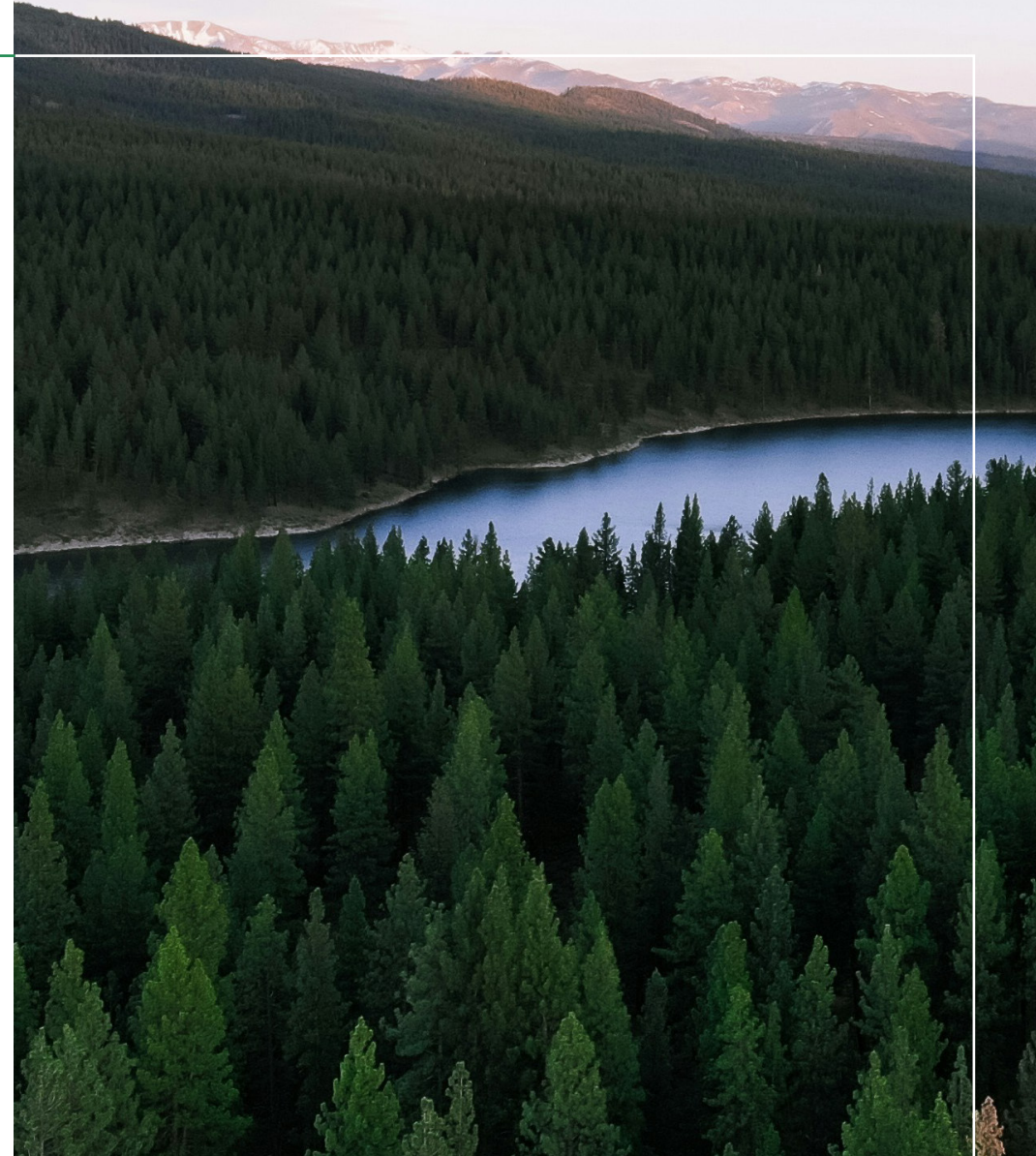
10 | LEGACY PLANNING (NOT FOR THE KIDS!)

The vast majority of time when I talk about legacy planning people assume I'm referring to leaving money to the kids, and they're thinking "We're not leaving any money for the kids, so we are good to go!" Then they're surprised when I start refocusing the conversation to their spouse, who normally comes to these meetings just for the free candy...

For many couples, there's an unspoken division of labor: one person might handle the cooking while the other deals with the investment strategies. But what happens when the "financial guru" of the household is no longer around? For the surviving spouse it can feel like suddenly being promoted to CEO of a company you never wanted to run. The idea of navigating investments, withdrawals, and market fluctuations alone can be overwhelming - kind of like trying to assemble IKEA furniture without the instructions (what is a Järvfjället anyway?).

The fear isn't just about making mistakes; it's about making expensive mistakes. Do you cash out investments? Do you rebalance your portfolio? Do you call that same financial advisor your spouse used to talk to (who now sounds suspiciously like a used car salesman)? And what exactly is a Roth conversion, anyway? You find yourself staring at a mountain of financial statements that might as well be written in ancient Greek.

Even if your spouse designed a perfect retirement plan, where once they're gone your household income doesn't change at all (which is nearly impossible to do), are you now prepared to pay more in taxes because you're now filing 'single' and no longer 'married, filing jointly'?



A good legacy plan makes sure that both spouses fully understand the strategy.
WHERE IS THE MONEY AND WHAT IS IT SUPPOSED TO BE DOING?

Having those "boring" financial conversations early avoids potential terror down the road. So ask questions, take notes, and maybe even attend a seminar or two—because trust me, it's easier to learn about investments over a glass of wine than in a panic after your spouse is gone.

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REFERENCES & DISCLOSURES

¹ Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company. Annuities are insurance products that may be subject to fees, surrender charges and holding periods which vary by insurance company. Annuities are not FDIC insured.

² Fidelity Investments. (2023, June 21). Fidelity® releases 2023 retiree health care cost estimate: For the first time in nearly a decade, retirees see relief as estimate stays flat year-over-year. Fidelity Newsroom.

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⁵ Social Security Administration. (2025, January 2). What is the average monthly benefit for a retired worker? Social Security Administration. www.ssa.gov/faqs/en/questions/KA-01903.html

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