

# Retirement in Sight

Monthly news and information for current and future retirees

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## What That First Year of Retirement May Teach You

When any plan is followed through, there are lessons to be learned, refinements to be made. That certainly holds true for retirement plans. The initial year of retirement may prompt you to revise your monthly budget, your investment approach, and your lifestyle expectations. In fact, a shift in the investment markets might lead to revisions in all three areas.

In addition, you will want to track real-world spending and see how it corresponds to your initial estimate. (Review your monthly bank statements over the past year.) If taxes on your Social Security income or IRA distributions have surprised you, then perhaps an adjustment to your tax management strategy is warranted. After all, half of Social Security benefits are exposed to income tax when your "combined income" tops \$25,000 as a single filer or \$32,000 as a joint filer. (Your "combined income" for a year = adjusted gross income + non-taxable interest income + 50% of Social Security benefits.) If you gifted thousands of dollars to a child or grandchild last year, you may not want to do that again. In sum, this is why you want to meet with a financial professional each year in retirement. Year to year, your financial situation will change, and your retirement plan must respond.<sup>1</sup>

## Do Parts of the Brain Age Differently?

Ever had one of those "senior moments" where you forget a name or where you put the TV remote? Some of those mental glitches may not be related to age. A just-published study in the research journal *Neuron*, authored by scientists from the University of California, Irvine, hints at this possibility.

In an effort to gauge how the brain recalls information, these researchers used functional magnetic resonance imaging on healthy adults aged 18-31 and 64-89. The two groups were asked to distinguish everyday objects from new ones in a collection and to report if objects had changed location within a set. The older subjects mentally outperformed the younger ones on the location test, but were not as sharp on the other test. The study authors found an association between spatial memory and the posteromedial entorhinal cortex, a region of the brain that may be less affected by aging than other areas. In the words of the researchers, this suggested that "not all memory changes equally with aging."<sup>2</sup>

## On the BRIGHT SIDE

Conducting its third annual survey on U.S. retirement readiness, GoBankingRates discovered that 16.5% of pre-retirees have more than \$300,000 in retirement savings. That compares to 14% in 2017 and 13% in 2016.<sup>3</sup>

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## CITATIONS

- 1 - [time.com/money/5207087/is-social-security-taxed/](http://time.com/money/5207087/is-social-security-taxed/) [3/8/18]
- 2 - [healthline.com/health-news/senior-moments-study-reveals-aging-impacts-brain#1](http://healthline.com/health-news/senior-moments-study-reveals-aging-impacts-brain#1) [3/14/18]
- 3 - [gobankingrates.com/investing/why-americans-will-retire-broke/](http://gobankingrates.com/investing/why-americans-will-retire-broke/) [3/6/18]
- 4 - [space.com/20648-animals-in-space-history-infographic.html](http://space.com/20648-animals-in-space-history-infographic.html) [3/12/18]

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