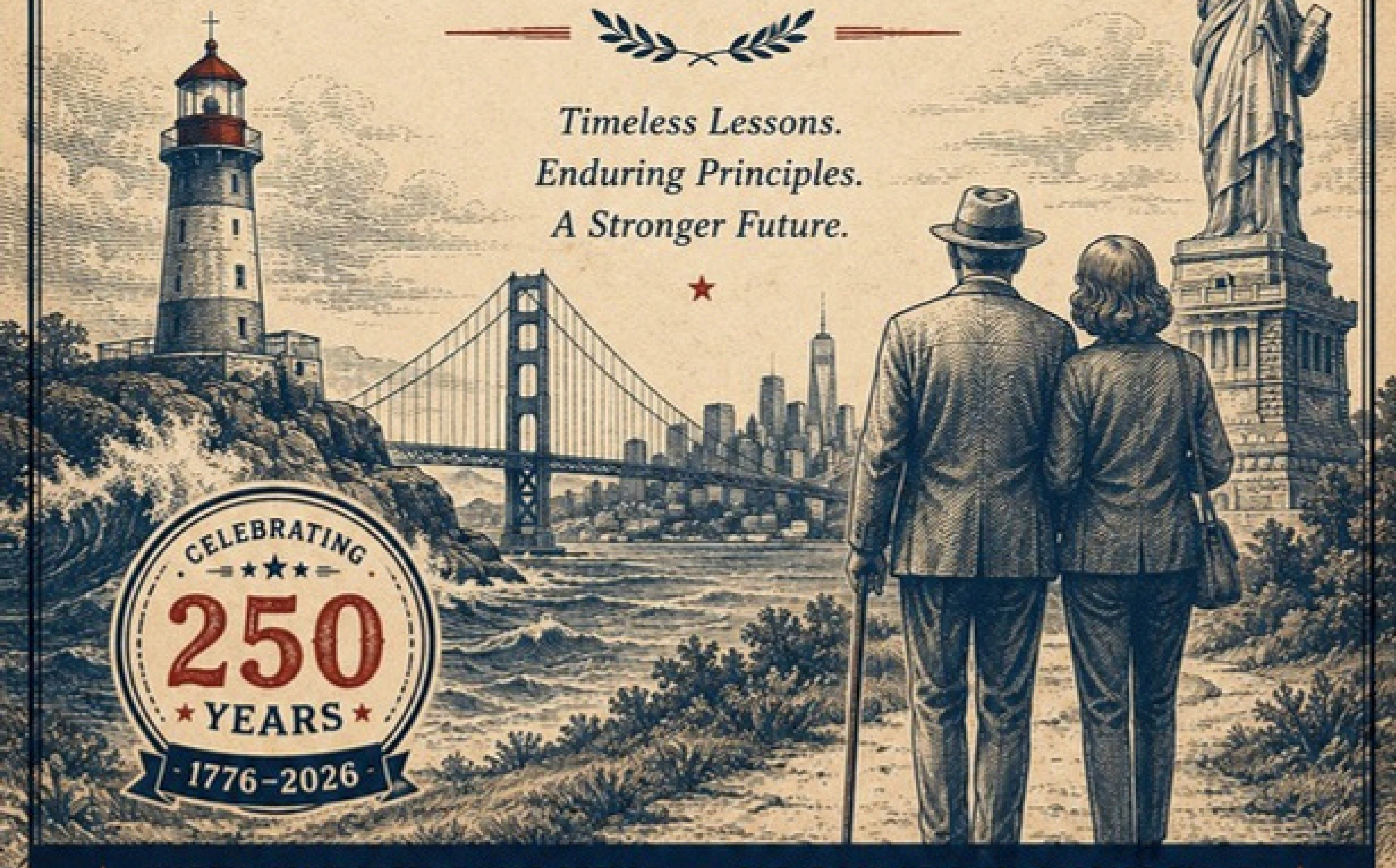
WHAT 250 YEARS OF AMERICA HAS TAUGHT US ABOUT RETIREMENT PLANNING

Timeless Lessons.
Enduring Principles.
A Stronger Future.



HISTORY CAN'T PREDICT YOUR FUTURE. BUT IT CAN HELP YOU PREPARE FOR IT.

A Milestone Worth Reflecting On

America turns 250 this year.

That milestone is a reminder that over long periods of time, very few things stay exactly the same. Economies change. Tax laws evolve. Markets rise and fall. Families grow, shift, and adapt. Through it all, the people and plans that tend to endure are not the ones built on perfect predictions — they are the ones built with enough flexibility to respond when life changes.

That same idea applies to retirement planning.

For many people, retirement was once viewed as a short final chapter funded by a pension and Social Security. Today, it may last 20, 25, or even 30 years. It can involve multiple income sources, rising healthcare costs, market volatility, tax uncertainty, and decisions that affect not only your own future, but your family as well.

This guide is designed to help you think about retirement through a wider lens. Instead of focusing only on what may happen next year, it steps back and looks at the broader lessons history can teach us about planning for change, building income, and preparing for a future that won't unfold exactly as expected.

What this guide will help you think through

- Why retirement planning is more complex today than it was for previous generations
- Why change should be part of the plan — not treated like an exception
- Why income planning matters just as much as saving
- Why living longer creates both opportunity and new risk
- Which planning principles have remained valuable across generations

FUN FACT

The First Corporate Pension (1875): The American Express Company offered the first formal private pension. To qualify, employees had to be at least 60 years old and have worked for the company for 20 continuous years. [1]

Retirement Didn't Always Exist

If you had asked most Americans in the country's early years what "retirement" meant, you likely would not have gotten the answer we think of today.

For much of American history, people worked as long as they were able. There were fewer formal retirement systems, fewer employer-sponsored plans, and shorter life spans overall. Families often played a central role in supporting aging parents or relatives. The idea of spending decades in retirement simply wasn't the norm.

That has changed dramatically.

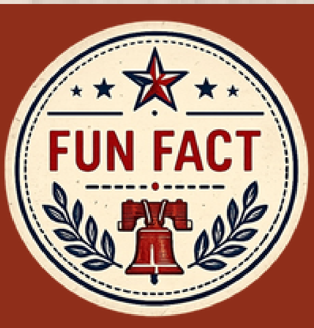
Today, retirement is not just the end of a career. It is often an entirely separate life stage — one that may last for decades and involve major financial decisions around income, Social Security, taxes, health care, housing, and legacy planning. That longer horizon creates opportunity, but it also raises the stakes. A plan that only works for five or ten years is very different from one that needs to support someone for twenty-five or thirty.

This is one of the biggest reasons modern retirement planning must go beyond "Have I saved enough?" and ask deeper questions:

- How long may this money need to last?
- What happens if I live longer than expected?
- How will inflation affect spending over time?
- What role will guaranteed or predictable income play?
- How flexible is my plan if life changes?

What this means for your plan

Retirement planning today is not just about reaching a number. It is about preparing for a longer and more dynamic phase of life. That means longevity should not be treated as a side issue — it should be one of the starting points of the plan.



The First Recurring Social Security Check (1940): Legal secretary Ida May Fuller of Ludlow, Vermont, received check number 00-000-001 for $22.54. She had only paid an accumulated total of $24.75 into the system over three years. Outliving all actuarial tables, she lived to be 100 years old and ultimately collected $22,888.92 in benefits. [2,3,4,5]

Why Retirement Plans Should Be Built for Adjustment

Over 250 years, Americans have lived through war, recession, inflation, deflation, changing tax systems, and shifting economic policy. In other words, uncertainty is not a modern problem — it is a permanent feature of long-term planning.

That matters because many retirement plans are built too narrowly. They assume that the future will look roughly like the recent past, or that one set of assumptions will hold up indefinitely. But history suggests something different: markets will change, tax rules will change, costs will change, and personal needs will change.

Good retirement planning does not require predicting every turn in the road. It requires building enough flexibility so the plan can absorb change without forcing a major financial disruption.

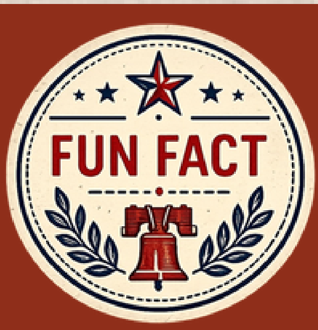
That might include:

- reviewing income sources instead of relying too heavily on one account
- thinking through multiple tax scenarios
- preparing for inflation over long time periods
- keeping liquidity available for unexpected expenses
- revisiting the plan regularly as life and laws evolve

A retirement plan should not be static. It should be revisited and adjusted as circumstances

What this means for your plan

If your plan depends on a narrow set of assumptions — such as low inflation, stable tax rates, or smooth market returns — it may need another look. A stronger plan is one designed to stay functional even when the future looks different than expected.

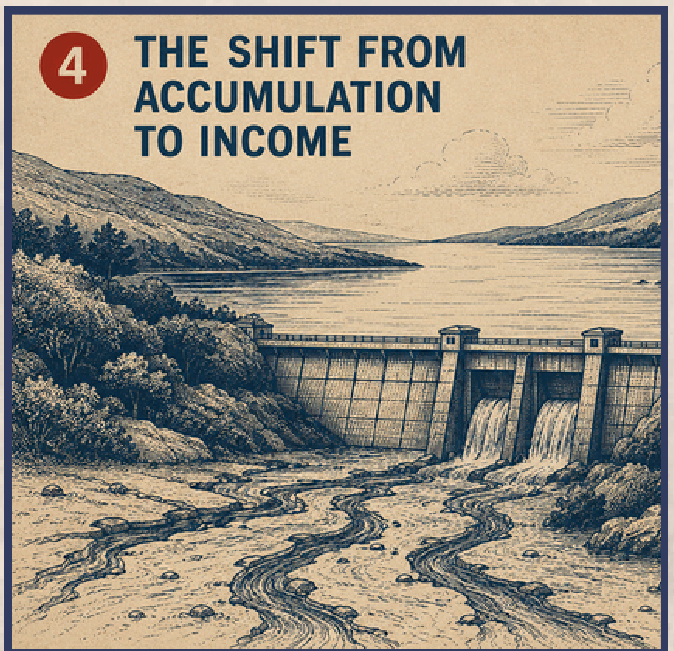


When President Franklin D. Roosevelt's Committee on Economic Security (CES) drafted the Social Security Act in 1934, they had to choose a target age. According to the Social Security Administration (SSA), the committee's decision wasn't derived from complex medical science. As the committee's chief actuary, Robert J. Myers, later noted: "Age 65 was picked because 60 was too young and age 70 was too old. So we split the difference." [2,3,4,5]

Why Retirement Success Is About More Than Saving

During your working years, the financial focus is often straightforward: save, contribute, invest, accumulate, but retirement changes the equation. Once paychecks stop, the challenge is no longer simply building assets. It becomes turning those assets into a sustainable stream of income — one that supports your lifestyle, adapts to volatility, and lasts over time.

That shift is where many retirement plans fall short. People often know how much they have saved, but not how those assets are meant to be used. They may have multiple accounts, Social Security timing decisions, taxable and tax-deferred assets, and no clear withdrawal strategy tying it all together.



A well-designed income strategy typically considers:

- income sources — where retirement cash flow will come from
- timing — when different sources should start
- coordination — how investments, Social Security, and other income interact
- tax efficiency — which accounts may be tapped first and why
- market sensitivity — how withdrawals may be affected during down markets

This is why retirement planning often becomes more complex after retirement begins, not less.

What this means for your plan
Retirement is not only about the size of your portfolio. It is also about how confidently and efficiently you can turn that portfolio into income.

George Washington Needed a Loan: Because there were no presidential pensions in the 18th century, George Washington was actually cash-poor when he left public service. In fact, when he was first elected president, he had to borrow money from a neighbor just to travel to his own inauguration because he could no longer afford to live off his estate at Mount Vernon without a government salary. [6]

A Longer Life Can Be a Financial Planning Stress Test

Living longer is a gift. But financially, it can magnify small problems.

A retirement plan that appears solid over ten years can become much more vulnerable over twenty-five or thirty. Inflation compounds. Healthcare expenses increase. Long-term care or caregiving needs may emerge. Investment withdrawals have more time to interact with market volatility. And decisions made early in retirement can have a much bigger impact than expected.
That is why longevity risk is one of the most important — and most underappreciated — retirement planning issues today.

It is not simply the risk of living a long time. It is the risk that your resources, strategy, or assumptions may not hold up across a long retirement.

Longevity risk often shows up in these areas

- Underestimating future medical or care-related expenses
- Failing to plan for inflation over decades
- Taking withdrawals too aggressively early on
- Overconcentrating assets in one type of account or one type of risk
- Assuming a spouse or partner will have identical needs or timing

What this means for your plan
If retirement could last several decades, your plan should be stress-tested for more than just average outcomes. It should also account for longer life, higher costs, and periods of economic uncertainty.

FUN FACT

The Census Bureau projects that by 2030, all baby boomers will be older than 65, and one in every five Americans will be of retirement age; by 2034, older adults are projected to outnumber children for the first time in U.S. history. [7]

Two Risks That Can Quietly Reshape a Retirement Plan

Two of the most persistent retirement risks are not always the most dramatic. They are often the quietest: inflation and taxes. Inflation can slowly reduce purchasing power over time, making everyday expenses feel increasingly heavy years into retirement. Taxes can affect how much income you actually keep, especially when withdrawals come from multiple account types or when tax law changes alter the landscape. Neither risk can be eliminated entirely. But both can be planned for more intentionally.

Inflation planning may include

- making room for future spending increases, not just current budgets
- maintaining some growth potential within the portfolio
- reviewing income sources that may or may not keep pace with rising costs

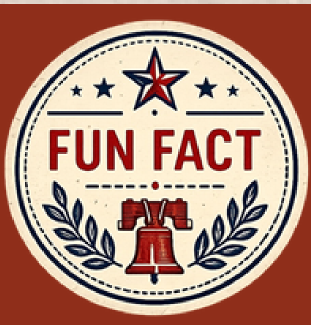
Tax planning may include

- understanding the tax treatment of different accounts
- coordinating withdrawals across taxable, tax-deferred, and tax-free buckets
- considering how Social Security, required distributions, and other income interact
- reviewing whether today's tax environment may differ from tomorrow's

The key point is this: retirement income is about what you keep and can spend, not simply what appears on a statement.

What this means for your plan

If inflation and taxes are not built into the strategy, a plan can look healthier on paper than it feels in real life.



The 1862 Civil War Pension System became America's first massive federal retirement framework, expanding over time to grant automatic old-age payouts to any aging Union veteran. At its peak in the 1890s, this program consumed over 40% of the entire US federal budget and served as the direct administrative blueprint for modern Social Security. [2]

Timeless Principles Still Matter

While history is full of change, not everything changes.
Across generations and economic cycles, certain principles continue to show up in strong financial plans. These are not flashy ideas. They are durable ones.

1. Diversification
Not relying too heavily on one market outcome, one income source, one tax bucket, or one strategy.

2. Discipline
Avoiding emotional decision-making, especially during uncertain periods.

3. Ongoing Review
A retirement plan should be revisited over time — not created once and forgotten.

4. Adaptability
Plans that can adjust tend to be more resilient than plans that depend on everything going according to script.

These principles are not complicated, but they are powerful. In a changing world, they provide structure without rigidity.

A simple retirement review checklist

- Has my retirement timeline changed?
- Has my spending changed?
- Has my health changed?
- Have tax rules or Social Security assumptions changed?
- Am I still comfortable with how my income is structured?
- Have I reviewed beneficiary, legacy, or family planning decisions recently?

FUN FACT

Social Security's full retirement age was 65 for many years, but a 1983 law gradually raised it, reaching 67 for people born in 1960 or later, because Americans are living longer and are generally healthier in older age.[2]

Planning for the Next Chapter

If 250 years of American history teaches us anything, it is this: change is not an interruption to the story — it is part of the story.

Retirement planning works best when it acknowledges that reality.

The goal is not to predict the market perfectly, guess future tax law, or know exactly what the next twenty years will bring. The goal is to build a plan that is thoughtful, flexible, and ready to adjust as life unfolds.

That means thinking about retirement not just as a savings target, but as a long-term income strategy. It means accounting for longevity, inflation, taxes, and family considerations. And it means revisiting the plan over time so it continues to reflect the life you are actually living — not just the assumptions you started with. A strong retirement plan is not one that avoids all uncertainty. It is one that is built to navigate it.

If you would like help reviewing how prepared your current retirement plan may be for change, we invite you to schedule a complimentary conversation.

SOURCES

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