



125 Boggs Lane  
Cincinnati, OH 45246  
Phone 513.481.8555  
Toll Free 1.800.962.7920  
Fax 513.481.8561  
[www.kehoe-financial.com](http://www.kehoe-financial.com)

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By Kevin Webb

Kehoe Financial Advisors

## **Stress-test your retirement by calculating income with and without Social Security**

Calculating expenses and income with and without Social Security benefits can provide an important picture of what your retirement years may bring.

Around age 50, you should begin to plan the best age to access Social Security benefits and consider whether to take your payments early at a reduced benefit or delay for a larger benefit. But while spreadsheets and calculations can help project each unique scenario, there is one concern in danger of being overlooked: How likely is it that the Social Security program will pay your full benefit over the course of your retirement years?

Without changes, not very likely. Neither Medicare nor Social Security can sustain projected long-run programs in full under current scheduled financing, according to the agency's 2013 annual report,

In fact, the Social Security Administration projects that in 19 years-- in 2033-- the trust fund set up to pay for shortfalls in benefit payments will be depleted.

The report said that without the trust fund making up the difference, income tax revenue will only be enough to support 77 percent of scheduled benefits. Worse yet, the trend has not been positive, as the 2004 Annual Report projected a depletion of the trust fund in 2042. The big question is, can you afford the retirement you desire without your full benefits, if it comes to that?

Until we get some guidance on if and when Congress will act to fix this projected shortfall in a benefit millions of Americans have paid into over their working lifetimes, Kehoe Financial Advisors recommends you take a cautious approach in assuming your benefit.

So what are you to do? Attempt to lessen dependence on Social Security income by saving more money with employer retirement plans or IRAs. Also, if you have not yet retired, stress-test retirement income by assuming a reduction of Social Security benefits.

While solutions can also include retiring later than anticipated, cutting expenses or working part-time after retiring, planning 15 to 20 years ahead to save and invest can make the difference between enjoying senior years that are golden or not so golden.

While one married couple may aim toward an annual income of \$50,000 a year, another couple may find that sum woefully inadequate if they want to buy a second home or travel extensively. Each person is unique in terms of what he or she requires to have a comfortable, sustainable retirement that could last thirty years. The best plan of attack is to develop a financial plan early with a respected advisor and discipline yourself to work the plan over time.

If you need financial planning or investment guidance, Kehoe Financial Advisors can help. The firm was founded in 1982, and has been the recipient of the Five Star Wealth Manager

Award for Cincinnati for the past five years. The award is the largest and most widely-published award program in the financial services industry, recognizing financial service professionals who provide quality services to their clients. Only four percent of greater Cincinnati's wealth managers attained the ranking this year.

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*Kevin Webb is a licensed representative at Kehoe Financial Advisors, which develops and implements financial strategies and plans for a diverse mix of clients in the greater Cincinnati area. To receive the 2013 Five Star Wealth Manager award, researched and managed by Five Star Professional, a wealth manager must meet 10 objective eligibility and evaluation criteria associated with wealth managers who provide quality services to their clients. A total of 1,367 wealth managers in the Cincinnati area were considered for the award. Five hundred and nine were named Cincinnati Five Star Wealth Managers, which represents less than four percent of the total wealth managers in the area. Wealth managers do not pay a fee to be considered or placed on the final list of 2013 Five Star Wealth Managers. The Five Star award is not indicative of the wealth manager's future performance. For more information, go to [www.kehoe-financial.com](http://www.kehoe-financial.com) or call (513) 481-8555.*

