

## **CONFIDENT CONVERSATIONS® on Retirement:** **Retirement Income Planning: Building Financial Stability & Freedom**

**Francisco Negrón:** Welcome to T. Rowe Price's CONFIDENT CONVERSATIONS® on Retirement. My name is Francisco Negrón and I'm grateful to be your host. For the past 35 years, I have been privileged to work with organizations to help their employees prepare for retirement. My colleagues joining me today are financial and industry professionals who also help people in their retirement journey, whether they are planning for retirement or already there.

The concept of income in retirement is one that has evolved over time. In the past, investors thought about it in terms of certain products. But now, because of the variety of account and investment products available, we see retirement income as an active experience. There is incremental value in developing a thoughtful, customized retirement income plan because there are no one size fits all, or one and done solutions.

In today's episode, we will discuss how well-planned withdrawal strategies can help you build financial security and enhance your retirement lifestyle. Joining us today is T. Rowe Price CERTIFIED FINANCIAL PLANNER™ professional Emily Herstein and Bill Meyer, head of Retiree Inc. Bill and Emily, thank you for joining us.

**Emily Herstein:** Great to be here.

**Bill Meyer:** Nice to be with you.

**Francisco Negrón:** Nice to have you. Well, let me begin by asking, what does retirement income mean and how has the concept changed?

**Bill Meyer:** Yeah, for me, historically, retirement income has been defined around a product. For example, an annuity. And our industry has promoted this such that, you know, someone's going to retire, that day happens and they're going to buy a product that's going to generate income for them. And what we see is this evolution looking at a household and a family, taking into account their plan, their goals, other elements, perhaps non-financial that may impact their retirement income.

So, we see a convergence of planning with great products. So not saying that you don't need good products, but I think to really serve people in retirement, now that people are living longer, we have to combine the financial planning aspects with great active asset management. You know, they come together.

**Francisco Negrón:** Yeah, you do need those of, those two working in tandem very closely.

**Emily Herstein:** Yeah, Bill, I couldn't agree more. Now we really are combining planning, investing, with some financial and non-financial decisions, like Social Security and Medicare, and then thinking about how are you going to meet your goals? But not just how are you going to meet your goals, how are you going to spend your money over time? With a combination of a good plan, maybe good products, and really sitting down and figuring out what is the most effective way to do that?

**Bill Meyer:** Yeah, I couldn't agree more. I think that, you know, when I talk to clients, you know, they typically don't talk about their products that they have, they talk about realizing goals. So couldn't agree more with your comment, Emily.

**Francisco Negrón:** So, Bill, at the retirement market outlook in New York, you said that we are having a, and I think your quote was "world is not flat" moment related to retirement income. What did you mean by this?

**Bill Meyer:** I don't mean to be overly dramatic, but this is a big moment for our industry. So, what I mean by that is the time that we all realized the world was not flat was like a big mind-blowing experience and I think our country is going through that now. So, what I mean is think of the analogy of a mountain. So, we help our clients get up the mountain by saving. So, we have this gigantic dream of retiring and we need to save.

**Francisco Negrón:** A lot of focus on that.

**Bill Meyer:** Yeah, how to get up the mountain. But I don't think as an industry we've done as good of a job helping people get down the mountain. So, once you reach that point in which you retire, you now need to figure out how you rappel down, how you're going to withdraw, as Emily had said, how you're going to claim Social Security that impacts how you're going to draw. How you're going to rebalance. All these things are related, but the math, the products, the planning process to get down the mountain and rappel is totally different than getting up the mountain. And our industry doesn't have the right tools. There's a different set of products. There are skills that advisors need that are different. And it really is a whole new genre. So, we're waking up realizing, holy cow, there's 100 million baby boomers and we're not really prepared to get people down the mountain. So, I'm optimistic we're going to start to see a ton of innovation and better advice for clients that are figuring out how to get down the mountain.

**Francisco Negrón:** No, that's helpful. A lot of people with accumulated assets, they need help with how to turn that into a paycheck, if you would, in retirement. Emily?

**Emily Herstein:** Yeah, Bill used the analogy of going up and down the mountain and I always use GPS analogies, but it's very similar, right? You might figure out where you're going on your road trip, look at the way to get there by looking at a map. But then you've got to turn on the GPS to figure out how to get home, because maybe there's one-way streets, maybe the road's closed, maybe there's traffic. And we spend a lot of time looking at the map and telling people which direction they should go. But we really need to spend the time telling them how to get back

home. Right? There's different math, there's different processes, there's different products. And we want to start spending time not just looking at accumulating, but spending, and spending it efficiently and effectively.

**Francisco Negrón:** Right.

**Bill Meyer:** And I think putting the two concepts together, maybe it's taking these analogies too far, but imagine I'm going down the mountain and I have Emily's GPS and we're all relatively the same, you know, clients, same age, same affluence. You may want to rappel down with switchbacks, you know, using some strategies. Emily is going straight down. She's doing gigantic Roth conversions.

[ALL LAUGH]

**Bill Meyer:** So, there's lots...

**Francisco Negrón:** She probably would, too.

**Bill Meyer:** There's lots of different ways to get down the mountain that are based on, you know, someone's individual preferences. And that's where, again, the science comes in to figuring this out. You have to coordinate these decisions, and if you do, you can make your money last longer.

**Francisco Negrón:** Absolutely. And we talk a lot about this here in the show and different episodes, the importance of it needs to make sense for you and your situation. You both touched on that. Interesting, thank you. So, Emily, can you tell us what a withdrawal strategy is and how is it different from a financial plan?

**Emily Herstein:** I think in both situations we encourage clients to meet with financial planners, financial professionals, and we want to come up with the best route, thinking about my GPS analogy. But a withdrawal strategy is really thinking about how to tap your resources in the most tax efficient manner, whether it's to fund your spending, pay for liabilities, and it needs to be actionable.

We also want to look at Social Security claiming strategies. That could have a big impact on your withdrawal strategy. And another important factor is leaving money to your heirs. All of these things are identified as to what is important to you during the planning process when we talk about accumulating and whether you're on track to meet your goals, but we need to consider them as well, thinking about a withdrawal strategy. And really think about what's important, to your point, to each client and pair that with the most effective and efficient strategy.

A lot of clients really use this conventional wisdom strategy where they have accounts and they just draw completely out of one IRA, move on to the next IRA, and move on to the next. That's not always the best approach, right? There's ways to diversify your tax liability or to make your

money last longer, to have more money in your pocket to make sure you're leaving more money to your beneficiaries, really focusing on whatever is best for you and straying away from, or shying away from, what is that conventional, simplistic, straight-line approach.

**Bill Meyer:** Yeah, I just wanted to emphasize what Emily said. She said it really well. And we've been writing academic papers about this for more than ten years on the conventional wisdom. This one account at a time process is so pervasive. And what listeners need to understand is that by spending more time working with a specialist in this area, you may be able to make your money last longer. And, you know, you can beat that conventional wisdom almost every time by being more succinct on how you tap your accounts.

**Francisco Negrón:** Yeah, you can maximize it. So, what I'm taking from you both is it's an important subcomponent. You still need a plan, but an important subcomponent of that plan is a withdrawal strategy and to your point earlier, Bill, and one that up to now hasn't usually received the attention it requires.

**Bill Meyer:** You got it.

**Francisco Negrón:** Well, very helpful. Very interesting. So, Bill, tell me, when working with clients over the age of 50, how is planning for retirement income different for them than for other clients?

**Bill Meyer:** Yeah, I mean, it's really an extension of our last topic. You know, I think there are two things that stand out for me. You know, remember, if I'm 50 or even older I have a discrete time period, no one likes to talk about how long they're going to live. But listen, we need to start getting very specific about what's the game plan to make sure that we don't outlive our assets. So, you know, that's one element.

The second one I'd highlight is taxes. So, what's different about decumulation versus accumulation, and Emily mentioned this, is every time you take money out of an account, there's a taxable event. And historically, our industry has not looked at it, we disclose away taxes. We say, "hey, go talk to a tax expert." And I think that that's another barrier back to the world is flat. That's going to change is the tax code's complicated, but ultimately figuring out what's the right combination of accounts, whether to do a Roth, minimizing that tax drag so a client can keep more of their own money extends well. So, you know, a combination of these things.

And I conclude by saying the other thing that pops into my head is back to Emily's point on the financial versus non-financial. You know, I think your goals start to change as you're in retirement. So, you know, you got to make irrevocable decisions around a time frame that's very discrete and these decisions are technical. And if you make good ones, you're better off. If you if you sweep it under the rug and don't pay attention to it, you'll have less money. As simple as that.

**Francisco Negrón:** Yeah, it may get you there, but you could have done so much better...

**Bill Meyer:** Exactly

**Francisco Negrón:**...if you pay attention to that.

**Emily Herstein:** I think the other thing to add is when it comes to things like taxes, Bill mentioned, you know, taxes are complex. They're also changing. Right? We have new products. We have new regulations. We have new tax codes. And you need to work with somebody to make sure that you are utilizing those or steering away from things as appropriate.

**Bill Meyer:** Yeah. And, you know, just parlaying off of that, I mean, based on how you think future taxes are going to look impacts that withdrawal sequence or strategy that Emily had talked about. If you think that we're going back to the early eighties or late seventies, you may want to do more Roth conversions basically, you know, at today's tax rate as opposed to a higher future tax rate.

So, you know, I think this is the part of the science that Emily and I always talk about, you know, where, hey, let's apply this into a plan, make a projection so you can make good decisions. There is a lot of uncertainty, but the decisions are different than when you're in accumulation.

**Francisco Negrón:** Yeah. And it is the part of the science that individuals like you both understand but the typical investor or perhaps typical listener to the program, it can be overwhelming, which is often a reason why, "Well, you know what? Conventional wisdom - I get that" and keeps you from doing the things that you both are talking about. So then building on this, what is the value - I feel that you've already started to answer this - but what is the value of good retirement income advice?

**Bill Meyer:** T. Rowe Price has led and written about this value. I mean, I think Roger Young's done a great job writing about this topic. Dr. Bill Reichenstein has been my partner working on these academic subjects now for quite some time. He's an endowed emeritus professor from Baylor University and again, the head of research at Retiree Inc. Dr. Reichenstein and I have written about this as well for 20 years. And what for me, again, applying the science and comparing an optimal or good withdrawal strategy to that conventional wisdom that Emily had mentioned, taking one account until it's exhausted, the second, you know, we can quantify the difference and looking at the difference between good advice for decumulation and kind of that standard benchmark. You know, for me, you know, it's approximately seven years. Now that's a rule of thumb, it's different for everyone. And what we've seen is other firms trying to quantify this. So other large asset managers, data providers, you know, have written academic papers and you see the literature stating that it's between 1 to 3% per year. In our research we quantify that so clients can understand it, you know, for what is their number. So, you know, I think it ranges, you know, around seven on average, kind of 3 to 10 years has shown up in our academic research.

**Francisco Negrón:** No, that's very interesting.

**Emily Herstein:** You know, a lot of clients we work with are worried about running out of money. So, I think we can talk about 1 to 3% per year but what really resonates with a lot of clients and why withdrawal strategies important is because that seven years is going to resonate more because most clients we work with want to make sure they have enough money to last. So, if we can show that you can get an additional seven years, well, that's the light bulb going off. And many clients just don't know the best strategy.

I have mentioned members of my family in some past episodes, and I always think about my mom who wanted to take Social Security as soon as she retired, and her reasoning was to spend money on her grandchildren. And I tried to explain to her that she should wait. That was a better strategy and it didn't resonate with her until I said, the longer you wait, you will have additional money to spend on your grandchildren. And then the light bulb went off and it's because I had to talk to her really about what was important to her. And she didn't care about having the money now or later. She cared about, "oh I can have more money to spend on my grandchildren."

So, I think when we talk about the value of good retirement income advice, it's pairing all of these complex withdrawal strategies with what's important to that client. And that's seven years, I always come back to that Bill, because that is something that a client is going to understand and want to work to achieve.

**Francisco Negrón:** Right.

**Bill Meyer:** I want to add my mom's story on to your mom's story.

[ALL LAUGH]

**Bill Meyer:** So, my mom went to Stanford. Phi Beta Kappa, has an MBA. Really, really smart. You know, I have a ton of respect for my mom, and I'll sit down and go through similar conversations that Emily just went. And I think that she's nerdy like me and understands the jargon we have in our industry. And she doesn't. She wants to see those outcomes. And that was the big epiphany. And when we were working on academic research, we needed to frame it in a way that we helped people through a planning process where they can make good decisions, saying, "okay, if I do X, Y and Z, I'm here. You know, if I do A, B and C, I'm here."

You know, Emily and I can't tell someone what the right path is in their GPS, they need to see the different routes down the mountain and decide for them what's best. But as an industry, we need to strip out the jargon and complexity in our products and our planning process to really hone it into what matters. And it's like, "Hey, am I going to outlive my money?" you know.

**Emily Herstein:** Exactly.

**Francisco Negrón:** Well, the outlive your money and also understanding to that individual what is the end that they value in beginning with that end in mind? I mean, that's what I'm getting from this. So, what framework then would you suggest that clients should use to evaluate the quality of their retirement income plan?

**Bill Meyer:** When you start looking at all the white papers and academic literature on the value of an advisor or what's commonly referred to as Advisor Alpha. Alpha is the extra amount you can find kind of over...

**Francisco Negrón:** Right right.

**Bill Meyer:** ...and above the market by being smart.

**Francisco Negrón:** Yeah, thanks for that clarification.

**Bill Meyer:** Yeah, and you know, for us, you look at these different white papers and you'll start to see, you know, think about the analogy of a stew. You know, there may be seven ingredients, five ingredients, you know, there tends to be a lot of technical stuff. And we did the same thing. Here's our list of seven things: withdrawal strategy, tax minimization, Advisor Alpha...you know, back to my mother, all things that she didn't really understand as a pretty smart person.

So, what we did is decided to try to synthesize it in three bite size elements that we could quantify. And this was important to me as an academic person that writes literature as, "hey, I could write a paper, but if you can't apply that to your situation, it's just a paper." So, what we did is we came up with three elements.

What's the extra value we could find for your withdrawal strategy, similar to how Emily defined it. What is that sequence you should tap your accounts and holdings? Number two, how you should actively rebalance and manage your asset location. So, think about in retirement every time you take money out, you're making yourself out of balance, it's different from accumulation...

**Francisco Negrón:** Sure.

**Bill Meyer:**...where the market is knocking out of balance. You have to actively manage that process, what you buy and sell and how you rebalance. So that's element two, which you can find significant added Alpha by managing that actively with the right products in the right process. And then finally, the withdrawal strategy. On average, it makes up 40% of someone's wealth. Now everyone's a little different. but what you can see is significant ranges of value on what most people do versus optimizing and again, sitting down with a specialist to really understand those options. So, withdrawal strategy, active rebalancing and Social Security strategy are all clear areas that every listener should look into to see what is that extra value they can find over and above what they're thinking about doing today.



**Francisco Negrón:** Very interesting. So, would you – for the listeners that that would appreciate this – would you share with us your research supporting that conclusion?

Bill Meyer: Yeah, I mean, I guide people to three things if they would want to read more. One Dr. Reichenstein and I have a popular book it's called Social Security Strategies. There's also a groundbreaking article in 2015 in the Financial Analyst Journal on tax efficient withdrawal strategies and again, that's where we were able to show in that paper you can find seven more years over that conventional wisdom strategy. And then recent research in 2023, I wrote two papers in the AAIL, American Association of Individual Investors. These are good papers because what we've seen is that the withdrawal strategy is not a one and done. So, you may want to draw down a certain way up until a certain point and then change your strategy. So, everyone needs to think about, hey, you know, you maybe start one way, but pivot.

So, as an example, to start Social Security, you may want to change so you decrease your Social Security taxes, you start Medicare, you may want to change your sequence, RMDs kick in. So, there are these obvious ways and I write about, again, these dynamic withdrawal sequences, finding more money. So again, you may want to check that out in the AAIL journal in 2023.

**Francisco Negrón:** Oh, thank you. Excellent, excellent resources. Emily, you work with clients a lot, obviously. Do you have any client examples that support what we've just talked about?

**Emily Herstein:** Yes, as Bill was talking about how these different things all come together in combination, I was thinking about a client, let's call her Mary. And Mary had spent her whole life working, always put money in her 401(k) or her IRA and just worked on going up the mountain, as we were talking about.

**Francisco Negrón:** Right.

**Emily Herstein:** Mary wanted to take her money out. All she knew was that she had to take a certain amount out. She wasn't going to need it, but she knew she had to take money out of these accounts and she had grandchildren she wanted to pass money on to. So, Mary just started taking money out and never thought about something called a Roth conversion. She didn't know what it was. It didn't make sense to her. All she knew is if she did it, she'd have to pay taxes. And we were able to show her that by taking some of her money and doing a Roth conversion, so taking it from pretax dollars, paying the taxes now, she not only would not have to take minimum distributions out, which she told us she didn't want to do, her money would continue to grow in a Roth IRA, which is not being taxed as it's growing. So that compounds how your money is accumulating. And then she would have a bigger pot of money to pass on to her beneficiaries, her grandchildren in this case. And they would not have the tax liability because she's going to pay that today. And just by explaining that concept to her, and I think it's a concept, it's like a buzzword, we talk about a lot as financial professionals, you hear about it, but I think a lot of our listeners don't really know what it means. It's just they know it has something to do with taxes and changing the type of account.



By figuring out if that aligns with your goals, the makeup of your accounts, the different types of accounts that you have, your Social Security claiming strategy, we really can help you figure out if something like that makes sense and optimize your withdrawal strategy, just like we've been talking about. It's a big way to get down the mountain, but it can be overwhelming.

**Bill Meyer:** You know, we've developed software based on our academic research and what I see in the Mary examples and clients that we have now you know, the software and the details can help the planner figure out an additional level of value. So, as you're talking about all the complexity around a Roth conversion, the other thing to think about is, hey, what are the right levels? If you do too much Roth conversion, it's called a torpedo, you can actually increase your Social Security taxes or increase your Medicare payments. So, a good planner like Emily is going to control and explain to a client not just how to do a Roth conversion, but to make sure you're not torpedoing or hurting other elements where, okay, you're better off with taxes on this Roth conversion, but you just shot yourself in the foot on your Medicare.

So, you know, all this complexity we need to simplify, but clients need to ensure that they don't make these sorts of mistakes when they're forecasting out their strategy.

**Francisco Negrón:** No, very important. This is why we've often talked in this show also about the value of having somebody who can help come alongside and sort through all of this. I'm sensing, especially with you, Emily, are grandparents the easiest clients because, I mean, they're crystal clear on what they're going after. Grandchildren, money, anyway.

**Emily Herstein:** [Laughs]. I mean, it resonates, right? It's a clear - people are very passionate about leaving money to their grandchildren.

**Francisco Negrón:** Yeah.

**Emily Herstein:** So, I do think and given the average age of somebody looking to think about withdrawal strategies, I think we do see a lot of grandparents looking to leave money to their grandchildren. But those aren't the only types of clients as well.

**Bill Meyer:** Yeah, like flip it on its head. I mean, I'm back to personalization as that You'll have just as many clients, whether you don't have grandchildren, you don't have kids, or philosophically you just say, "hey, I don't want to leave anything to my kids." So that withdrawal sequence of when I pass away, I want to have zero versus, "hey, I want to leave a legacy." Talk about an apple and an orange. Two people that look the same, how they're going to implement a strategy to generate that income is totally different...

**Francisco Negrón:** Absolutely.

**Bill Meyer:** ...that's why you need to meet with a specialist to figure this stuff out now.

**Emily Herstein:** Exactly.

**Francisco Negrón:** No, very, very good points. Thank you. Now, you touched on this a few times, and I've also heard it said that there's both art and science to this, which makes some people nervous, that there's both art and science in planning for retirement. So, what does that mean exactly?

**Emily Herstein:** Clients rarely do what is optimal just on paper, and I think that's on paper is the science talking about how much more, you know, how many more years we would get, what taxes we would pay. These are all concrete things that we can illustrate. The art behind it is finding what's comfortable for the client. And it's such a personal decision like we've been talking about, and we know that a lot of clients aren't going to do what's optimal, but we're trying to get them to do something better, right?

Maybe in Bill's example, we were talking about Roth conversions, you don't want to convert too much and maybe we can show how much a client should do in Roth conversions, but those numbers scare them and they don't want to pay all those taxes now, we can look at finding them a Goldilocks strategy, something that's just right. We can show how doing a Roth conversion will have benefits but do a smaller amount so that they can sleep at night.

So, I think about the art and the science as the science is us showing you the data, the art is your head hitting that pillow and you being able to sleep at night. I can show you all the strategies I want, but if you can't sleep because you're not comfortable with that decision or it doesn't help you accomplish your goal, it doesn't matter. So, we have to get that right balance of those two.

**Francisco Negrón:** So, with that as context, how would you describe the process to evaluate and select the right withdrawal strategy or a withdrawal strategy for that matter?

**Bill Meyer:** Well, Francisco, I'm going to age myself, so I started off as a planner 30 years ago, and I feel like the process in many respects when it gets personal to someone has not changed. But what has changed is, you know, this notion of, you know, for me, I'm passionate about raising the bar on advice quality. So, when you sit down with clients, whether they're going into retirement or they're in retirement, I think the notion of optimal that Emily mentioned, people want a good strategy, a place to start.

So, I think that, you know, doing something more than the conventional wisdom that's out there and pervasive, hey, let's give someone an optimal strategy. Hey, based on your situation, we've done an analysis, this is a great strategy for you, it's a good place to start. But as Emily said, that porridge may be too hot. People are like, listen, I don't want to delay Social Security, that Roth conversion's too much, I don't pay that much taxes now.

So, from a process standpoint, answering your question is, I call it winnowing. This notion of going back and forth. And the porridge concept is a good one with Goldilocks of okay, optimal is too hot, maybe we tweak things, dial it down, okay, that's too cold. But you go back and forth,

people, as we're developing the software called me a compare junky. So, as your winnowing going back and forth, essentially what we're doing is comparing different strategies to assess like, what are you most comfortable with? We'll dial things back. Let's add in an in you going back and forth until you're finding something that you feel good about. But I want everyone to listen. What I've learned over these 30 years is we need to raise the advice quality barrier to give better advice for decumulation. So, we're on the right track there. But the second part is back to this being dynamic. It's not a one and done like accumulation where you can set it and forget it. You do need to revisit your strategy, there will be changes. So again, winnowing with an open mind that as life throws you curveballs or things change in retirement, that sequence may need to change or be adjusted as well.

**Emily Herstein:** I think about that GPS analogy we've been using and when you're driving and something changes and it's recalculating, I think about retirement income, right?

**Bill Meyer:** I love it.

**Emily Herstein:** We want to be recalculating as things change, as your goals change, what's important to you, maybe tax laws change, maybe took money out and you're rebalancing. All these things come together and we want to keep our eye on that GPS.

**Bill Meyer:** And I think adding in more of the psychology to as we're bringing in some of these other themes, I just think of the behavioral aspects in the irrevocability of some of these decisions. o what I mean by that is if you make a mistake you can't recover. Right? When you have a claiming strategy, it's hard to make adjustments. There are rules around voluntary suspend, but, you know, Roth conversion, you know, these are big decisions that, you know, you can't change and it's harder to recover from because you know we're in decum and, you know, have a fixed period of time we're planning for.

**Francisco Negrón:** So, let me complicate it a little bit. We've talked about, you know, the value of the planning and all the reasons why you need to do that. Now, there are many investors that are "do-it-yourself-ers." I don't know if that's a technical term, but, you know, they don't want help. How about that? Why do you think many clients over 50 will need help? What would you say to that audience that over 50 why they will need help from a financial professional?

**Bill Meyer:** Yeah, my response, kind of, two examples is I think there's a daunting amount of complexity in the individual decisions and then complexity in coordinating, you know, across these decisions. So, take Social Security. There's easily over 10,000 different ways That Francisco you should take Social Security, which one's best for you? And you know, back to finding more or maximizing what you have, Hey, let's apply the science so that you can evaluate the best alternatives to make a good decision. But it's hard to evaluate 10,000 different ways. And, you know, back to taxes that we've discussed. Alright, well, the tax code's pretty daunting. You know, and most people think about filling out their tax return. As Emily said, we're talking about applying taxes to a forecast. So that's complicated stuff. So, I would say even if you're a "do it yourself-er" make sure you're using the right tools, there are a lot of general things out there

where you think you're getting the right level of analysis on Social Security, but they're only looking at five different default strategies.

So, I think validating what you're doing with a specialist or looking to see how an expert can find that additional amount of money. And back to Emily's smart comment on running out of money. It's the number one fear people have. All right. Well, if you have that fear, why wouldn't you want to go and make sure that you're maximizing everything because this stuff is too darn complicated.

**Emily Herstein:** I would add, too, the decisions are irrevocable, many of them. So, if you do, even as a "do it yourself-er" you can be educated and financially savvy, but if you make a decision that later you realize wasn't the right decision, you may not be able to come back from that. So unlike accumulation where we have more options and more flexibility, once you say you're going to take money out and do a Roth conversion as an example, or a Social Security claiming strategy, if you find it wasn't the right one, you can't go back and change that after the fact in many situations.

**Francisco Negrón:** No, that's very sobering. Excellent insights. Thank you both. We do need to begin to wrap up the discussion. So, let's begin with you, Emily. Would you leave our listeners with a key takeaway that they can apply when it comes to generating an income stream in retirement?

**Emily Herstein:** I think the number one key is working with a financial professional on your withdrawal strategy. It's something to really let you look at all of the options and look at the science and you can figure out the art. It's complex and it's not something that the average investor should try to do on their own because it's daunting. And so being overwhelmed and just saying "this doesn't make sense so I'm just going to do this, you know, simple strategy" isn't the right thing. Working with someone who can help you, who can explain things to you and guide you and show you how some of these decisions will positively impact your overall strategy is second to none. And you can't, it's just something you're not going to be able to do on your own.

**Francisco Negrón:** Well said.

**Emily Herstein:** So that's my number one thing is seek help.

**Bill Meyer:** And I think, what I would add we've used a lot of analogies and conclude with one final one. You know, think about it like your health. You know, if you have a health problem that's really important, you're likely to go to a specialist, not a generalist. You need to source out a specialist. They really can apply the science that we've discussed today. And like your health, if you go to a specialist, you're more likely to get the right advice to manage your health. I think it's the same for your financial health. You know, you'll be able to apply some of the concepts Emily and I have discussed today to maximize what you've saved and make sure it lasts over your lifetime.

**Francisco Negrón:** Excellent points. Thank you so much, both of you, for joining me today. I really enjoyed this conversation, I hope you did as well.

**Emily Herstein:** I did, It was great.

**Bill Meyer:** Yeah, thank you.

**Francisco Negrón:** Well, as we conclude today's episode, remember that when it comes to planning for income in retirement, it is important to take time to carefully develop a plan that is customized for your personal financial situation. A well-planned withdrawal strategy can do wonders for your financial security and help you make the most out of your golden years.

Again, I am Francisco Negrón. Thank you so much for listening. Please tune in for our next episode, where we will explore the concept of practicing retirement. If you like this podcast, please rate us and subscribe wherever you get your podcasts. And remember, it's not how you start, but how you finish. So be confident! Your tomorrow begins today.



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