

A Your Path Fi Guide

The Retirement Income Guide

Five decisions that determine whether your money lasts.

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The world of retirement has changed. Your plan should reflect that.

Ask a room of soon-to-be retirees what worries them most, and you tend to hear the same answer: I do not want to run out of money.

It is a reasonable fear, because retirement is harder to navigate than it was a generation ago. Your parents may have retired on a pension, a bull market in stocks and bonds, and a Social Security program that felt untouchable. Most of that is gone. Pensions have all but disappeared. We have lived through four bear markets since 2000, including two of the worst in history. Bonds had their worst year in a century in 2022. And inflation has reminded everyone that the cost of living does not sit still.

None of that means a great retirement is out of reach. It means winging it is riskier than it used to be, and a real plan matters more than it ever has.

This guide walks through five keys to building one. Not stock tips or a market forecast, but the timeless decisions that determine whether your money lasts as long as you do. I help people right where you are think through these decisions every day, as a fee-only fiduciary, and I have tried to put the most important parts in plain language here.

The five keys

01 Start with a plan, not a portfolio

Why the plan, not the market, decides your outcome.

02 Your real opponent: a 30-year inflation problem

The goal is not to protect a number. It is to outpace rising costs.

03 Equities are the engine, and risk is years of income

A calmer way to hold growth investments through a downturn.

04 Turn your portfolio into a paycheck

The guardrails strategy that answers what to sell, and when.

05 Keep more of what you have saved

Tax-smart withdrawals that quietly add up.

Start with a plan, not a portfolio

This sounds obvious, and yet the entire financial media is built on the opposite idea. Every day brings a new what should you do before the next crash headline, because fear holds attention better than anything else. The problem is that it pulls your focus to your portfolio, when the thing that will actually shape your retirement is your plan.

Think of it like flying. If you asked the pilot what matters most for reaching the destination, they would not say the make of the plane or the weather along the way. They would say the flight plan. Those other things are tools and conditions to plan around. Your retirement income plan is the flight plan. Your portfolio is just the aircraft that gets you there.

THE RIGHT ORDER

Purpose → Plan → Portfolio

It starts with where you want to go, not what to buy: When do you want to retire? What do you picture doing with your time? What other goals matter, and why? What will all of it cost?

Your answers become the foundation everything else is built on. Get the order right, and the portfolio decisions get much simpler.

Your real opponent: a 30-year inflation problem

Here is where two common beliefs quietly collide. When I ask people their biggest fear, they say running out of money. When I ask what their portfolio is for, many say protect the principal. Those two answers do not fit together, and understanding why changes how you invest.

92

Average joint life expectancy of a non-smoking couple retiring at 62

30+ yrs

Income a retirement may need to provide

2.5x

Rise in prices over 30 years at 3% inflation

Over a stretch that long, one thing is certain: the price of nearly everything you buy will rise. At 3% inflation, costs roughly 2.5 times over 30 years. A \$5 box of cereal becomes \$12 or more. So a portfolio that only protects principal is quietly falling behind every single year, because the dollars are safe but they buy less and less.

The goal is not to protect a number. It is to keep your purchasing power ahead of rising costs for as long as you live.

That is why protecting a number is the wrong goal. The right goal is growing your total return enough to fund a rising cost of living over decades. Not chasing the highest return, and not freezing in place. That reframe leads straight to a calmer way to think about risk, which is next.

Not sure your plan keeps pace with inflation? [Schedule a Retirement Strategy Session.](#)

Equities are the engine, and risk is measured in years of income

Short-term market drops are genuinely uncomfortable. But a lot of that fear comes from measuring risk the wrong way. Advisors usually describe risk as an allocation: maybe you are 70% stocks and 30% bonds and other stable assets. By that yardstick, a 70/30 portfolio fell about 24% in 2008. True, and not comforting when it is your life savings on the screen, which is exactly when people are tempted to sell at the worst possible moment.

There is a steadier way to look at the same portfolio. Measure your risk in years of income instead of percentages. If 30% of that portfolio sits in lower-volatility assets and you spend about 4% a year, that is roughly 7.5 years of income you could draw on while you wait for stocks to recover.

24%

Decline of a 70/30 portfolio in 2008

7.5 yrs

Income buffer in that portfolio at a 4% withdrawal rate

\$6.7M

What a \$750K stock stake grew to over 30 years

For perspective, the second-worst bear market in modern history, from the 2007 peak to full recovery, took about 5.5 years. A buffer measured in years helps you ride out the wait. And waiting has paid. Imagine \$1,000,000 invested in early 1993, with \$750,000 of it in a plain S&P 500 index. Over the next 30 years, through four bear markets including two of the worst ever, that equity stake grew to roughly \$6,700,000.

WHY THIS MATTERS

Stocks are the engine that outruns inflation over time, and patience has rewarded investors more than reacting to headlines. The buffer in lower-volatility assets is what makes that patience possible, because a bad market does not force you to sell the engine at the bottom.

Hypothetical illustration. You cannot invest directly in an index, and past performance does not guarantee future results.

Turn your portfolio into a paycheck: the guardrails strategy

The single most stressful question in retirement is usually what do I sell, and when. Sell the wrong thing at the wrong time and you can do lasting damage. So rather than leave that to instinct or to whatever the market did last week, I use a rules-based approach. Here is how it works.

01 Invest for total return, not yield.

Your return comes from the whole portfolio, both growth and dividends, in a low-cost, globally diversified mix. We do not reach for the highest-yielding investments to manufacture income, because chasing yield usually means taking on risk you cannot see.

02 Raise cash by rebalancing back to your target.

When it is time to refill your spending account, we trim whatever has grown beyond its target weight, which is often the part that has done best. That funds your paycheck and keeps your risk in line at the same time. You are selling high by design, not by luck.

03 Spend from the buffer when markets are down.

That cushion of lower-volatility assets from Key 3 is what you live on during a downturn, so you are not forced to sell stocks while they are low. The engine gets time to recover.

04 Adjust spending with guardrails.

We set a starting withdrawal rate, with an upper and lower guardrail based on your portfolio balance. If a strong market run pushes your portfolio above the upper guardrail, that gives you room to give yourself a raise and increase spending. If a downturn pushes your portfolio below the lower guardrail, we trim spending modestly and temporarily, giving your portfolio breathing room to recover. The adjustments are small, planned in advance, and rules-based.

THE TAKEAWAY

What do I sell, and when, has a clear answer before the stressful moment ever arrives. The plan decides, not the headlines, and not your nerves on a bad day.

Want to see what this looks like for your numbers? [Schedule a Retirement Strategy Session.](#)

WORKSHEET

Your retirement income snapshot

A few minutes here will tell you more about your readiness than any market forecast.

1 · INCOME THAT DOES NOT DEPEND ON THE MARKET

Social Security (you), per year

Social Security (spouse), per year

Pension or annuity, per year

Reliable income subtotal

2 · YOUR SPENDING

Estimated annual spending in retirement

The gap your portfolio must cover (spending minus reliable income)

3 · YOUR YEARS-OF-INCOME BUFFER

Lower-volatility assets (bonds, cash, stable)

Divide by your annual gap above = years of buffer

4 · A FIRST LOOK AT GUARDRAILS

Portfolio value

This year's planned withdrawal

Starting withdrawal rate (withdrawal divided by portfolio)

We'll walk through what these numbers mean together.

No single number is a verdict. But if your buffer feels thin or your withdrawal rate feels high, those are exactly the conversations worth having before you retire, not after.

Keep more of what you have saved: tax-smart withdrawals

How you draw income matters almost as much as how you invest it, because taxes quietly follow you through all 30 years. Here is how we approach it.

01 Use the low-income years on purpose.

In the years after you retire but before Social Security and RMDs begin, your taxable income often drops to its lowest point in decades. That gap is an opportunity, not just a quiet stretch. We can fill up the lower tax brackets deliberately, often through partial Roth conversions, so future withdrawals are taxed less and you have more flexibility later.

02 Watch for IRMAA, the phantom tax.

Large Required Minimum Distributions can push your taxable income high enough to trigger higher Medicare premium brackets. It is not technically a tax, but it feels like one. By managing the timing and size of withdrawals in the years leading up to RMDs, we can often soften or avoid this.

03 Turn down markets into a tax advantage.

When markets fall, it is rarely all bad news. Tax-loss harvesting lets us realize losses in taxable accounts, which can offset gains elsewhere and set up more efficient withdrawals and rebalancing down the road.

04 Give in the most efficient way possible.

If charitable giving is part of your life, how you give matters. Qualified Charitable Distributions and gifting appreciated securities to a donor-advised fund are often far more efficient than writing a check, and can meaningfully reduce your tax bill while supporting causes you care about.

THE TAKEAWAY

None of these are one-time moves. They are small, ongoing decisions, made every year, that compound into real money kept over a retirement.

YOU DO NOT HAVE TO DO THIS ALONE

Choosing a guide for the journey

The decisions in this guide interact with each other in ways that are hard to see from the inside. A good retirement planner does not just manage investments, they coordinate all five of these moving pieces into a single, coherent plan.

If you do look for a partner, a few questions are worth asking anyone you consider:

- Are you a fiduciary, held to my best interest at all times?
- How are you paid, and does it create any conflicts?
- What do you specialize in, and is it retirement?
- What would a typical year with you actually look and feel like?

A good guide brings more than investment decisions. The quiet value shows up when markets are in turmoil and you have someone who can offer calm, evidence, and a plan that was built for exactly this moment. You cannot measure that in advance. But if you have ever needed it, you know it is worth a great deal.

Your money should last as long as you do.

A complimentary 20-minute session, no obligation, just a chance to talk through your situation.

[Schedule a Retirement Strategy Session →](#)

ABOUT THE AUTHOR

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Your Path Fi is an independent, fee-only fiduciary firm that provides retirement planning and investment management for a flat annual fee. That means transparent pricing and advice that is never tied to selling a product or to the size of your portfolio. My focus is the full picture: income, investments, taxes, Social Security, Medicare, and legacy, coordinated into one plan that is yours.

Thank you for reading. However you choose to plan, I hope this was genuinely useful, and I wish you great success in your retirement.

For more on these topics, subscribe to [Ryan Talks Retirement](#) on YouTube.

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