



MONEY NOTES

Cents and Sensibility: Transition to Retirement

(Part 5 of 6)

APRIL 2026 | MONEY NOTES

A Guide to Sustainable Financial Independence: A Series

The transition from accumulation to distribution represents one of the biggest financial turning points of our lives. After decades of building wealth and saving systematically, the prospect of converting those assets into sustainable retirement income requires careful orchestration—not just financially, but emotionally and strategically.

For women, longer life expectancies, career interruptions that may have impacted savings, and the likelihood of managing finances independently at some point, all demand a thoughtfully constructed transition strategy that addresses both immediate decisions and long-term security.

Strategic Timing: Beyond Simple Retirement Age Calculations

The decision of when to retire extends far beyond selecting a date. It requires analyzing the intersection of Social Security claiming strategies, portfolio longevity, healthcare coverage, and your personal vision for this next chapter.

Social Security: One Piece of the Income Puzzle

Social Security provides a guaranteed, inflation-adjusted income stream for life—a valuable foundation, but rarely sufficient on its own. For individuals born after 1959, full retirement age (FRA) arrives at 67, with claiming options ranging from 62 to 70. Delaying benefits increases your monthly payment, but the right claiming age depends on your health, other income sources, and how your portfolio is positioned. Your BLBB Financial Planner can model the tradeoffs specific to your situation and help you coordinate Social Security with your broader retirement income strategy.

Building a Portfolio That Works in Retirement

The shift from accumulation to distribution changes everything about how your portfolio should be structured. During your working years, the primary goal was growth. In retirement, the goal becomes generating reliable income while managing risk—often for 30 years or more. That requires a deliberate investment strategy built around several interconnected principles.

Asset Allocation Shifts with Your Timeline. A common misconception is that retirement means moving entirely out of equities. In reality, a retirement that may last three decades still requires

meaningful growth assets to outpace inflation. A typical transition involves gradually shifting from a growth-oriented allocation—perhaps 70–80% equities in your 50s—toward a slightly more conservative mix of equities, fixed income, and cash equivalents as you approach and enter retirement. The right allocation depends on your income needs, risk tolerance, other assets, and time horizon. There is no universal formula, which is why personalized guidance matters.

Sequencing Risk Is Real. One of the greatest threats to retirement portfolios is sequence-of-returns risk—the danger that significant market losses in the early years of retirement, when you are drawing down assets, can permanently impair a portfolio even if long-term returns eventually recover. BLBB can help with strategies to mitigate this such as maintaining a cash or short-term bond reserve to fund near-term expenses without selling equities during downturns, and using a “bucket” approach that segments assets by time horizon.

Diversification Goes Beyond Stocks and Bonds. A well-constructed retirement portfolio draws on a range of asset classes—domestic and international equities, investment-grade and inflation-protected bonds, dividend-focused income strategies, and in some cases alternative investments—to reduce volatility and improve resilience across different market environments. Diversification does not eliminate risk, but it is one of the most reliable tools for managing it.

Tax-Efficient Withdrawal Sequencing. How and when you draw from different account types—taxable brokerage accounts, tax-deferred IRAs and 401(k)s, and tax-free Roth accounts—has a significant effect on your lifetime tax burden. Strategic withdrawal sequencing, coordinated with required minimum distributions (RMDs) beginning at age 73, can meaningfully extend portfolio longevity and reduce the taxes your heirs ultimately pay. Roth conversions in the years before RMDs begin are often an underutilized opportunity.

Why a Wealth Advisor Who Understands Retirement and Your Retirement Goals Changes Everything

Retirement planning is not a single conversation—it is an ongoing process that evolves as tax laws change, markets shift, and life circumstances develop. An advisor with deep experience in retirement transitions brings something that no checklist or online tool can replicate: the ability to integrate all of these variables into a coherent, personalized strategy.

For women in particular, retirement planning carries distinct dimensions: statistically longer lifespans mean portfolios must sustain more years of distributions; career interruptions to care for family may have created gaps in savings; and the likelihood of managing finances independently at some point is high. BLBB understands these realities—and takes a fiduciary approach to your interests— helping our clients build a retirement income plan that accounts not just for the expected, but for the unexpected.

Medicare and Healthcare Cost Management: The Underestimated Retirement Expense

Healthcare expenses can constitute one of retirement's most significant and least predictable costs. Understanding Medicare's structure, limitations, and enrollment requirements becomes essential to comprehensive planning. BLBB hosted a comprehensive program on

[Maximizing Your Retirement Benefits with BLBB Advisors](#) and Move Health which clearly explains all of your Plan options. We encourage you to take a look.

Health Savings Accounts: Tax-Advantaged Medical Expense Planning

For those with access to high-deductible health plans through employers, Health Savings Accounts (HSAs) offer triple tax advantages:

- **Tax-deductible contributions** that reduce current taxable income
- **Tax-free growth** on investments within the account
- **Tax-free withdrawals** for qualified medical expenses throughout your lifetime, including in retirement

Strategic HSA management involves maximizing contributions while employed, investing rather than spending current contributions, and preserving the account for retirement medical expenses. After age 65, while you can no longer contribute once enrolled in Medicare, you may withdraw funds tax-free for Medicare premiums, qualified long-term care insurance premiums, and other medical expenses. Read more from BLBB [here](#).

Long-Term Care: Protecting Accumulated Wealth

For many retirees, the cost of long-term care represents one of the most significant — and underestimated — financial challenges they will face. Quality care facilities can easily exceed \$120,000 per year, and with care often lasting several years, the total cost can place serious strain on even a well-built retirement portfolio.

The good news is that planning ahead makes this risk manageable.

Other Financial Considerations as Retirement Nears

Beyond portfolio strategy and healthcare planning, several additional financial considerations deserve attention during your transition years.

Strategic Debt Management It's natural to want to eliminate as much debt as possible from our personal balance sheets (especially high interest debt like credit cards) and establish a clean slate as we enter retirement. But that's a strategy which – taken too far – may limit your potential for continued growth.

Inherited Retirement Account Navigation You should also consider possible inheritances and plan accordingly – especially from a tax management perspective. When you inherit tax-deferred retirement accounts such as IRAs, you'll want to have a plan for when and how to distribute the account's assets; decisions that will affect the taxes you owe.

Distribution requirement rules differ based on the date of death, your relationship to the original account holder, and whether or not they had begun taking RMDs, so it's a good idea to sit down with your BLBB advisor to explore your options.

Estate Planning Preparation for the Transition Phase

Make sure you have your basic estate planning documents (i.e., a will, revocable trust, healthcare proxy and durable power of attorney) in place. Review all your beneficiary designations to ensure they accurately reflect your intentions. And depending on the size of your estate, you may also want to begin exploring tax-smart trust strategies for wealth transfer. We'll review other legacy planning considerations in the final article of our series

Your Path Forward: Strategic Transition Planning

A more confident financial future starts with a clear plan—one that coordinates your portfolio strategy, income sources, tax picture, healthcare costs, and estate planning into a single, coherent roadmap. The advisors at BLBB have specialized in exactly this kind of integrated retirement planning for over 60 years, with experience serving women navigating the transition from accumulation to distribution.

Working with an advisor who specializes in retirement transition—rather than a generalist focused primarily on accumulation—can make a measurable difference in outcomes. At BLBB, that means building and actively managing a retirement income plan that evolves alongside you.

Be on the lookout for our final piece in this series—The Retirement Years—where we will explore strategies for converting transition planning into fulfilling, financially secure retirement.

Disclosures

Investment advisory services are provided by BLBB Advisors, a Pennsylvania-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. SEC registration does not imply any particular level of skill or training. Additional information about BLBB is available in our current disclosure documents which are available on BLBB's website (www.blbb.com) or the SEC's public disclosure database (IAPD) at www.adviserinfo.sec.gov. Past performance is not indicative of future results and investing involves a risk of loss, including a loss of principle.

BLBB does not offer legal or tax advice. Please consult the appropriate professional regarding your individual circumstances.

BLBB's investment approach may incorporate, among other things, asset allocation and portfolio diversification. While these strategies are designed to limit risk, there is no guarantee that such strategies alone, or in combination, will guarantee against a loss of principal.



L to R: Robb Parlanti, Laura LaRosa, Clif Haugen, John Lawton, Laura Brewer, Dean Karrash, Brian Gallagher, Brianna March, Nick Buccì, Bob Flood, Mike Geraghty, Zack Renna

