

## Why Taking Social Security at the Wrong Time Could be a Mistake

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I want to share a story where a client almost lost 32% of her retirement income because of a decision she almost made.

So I was speaking with a client the other day and she asked me a question that I hear from a lot of people her age. She's 63 and she told me she planned to take social security at Full Retirement Age (FRA). FRA is based on your birthday, and it's 66 and seven months in her case. Like most people today, she has no pension, and every dollar matters for her retirement income. We reviewed her financial plan. I showed her the value of delaying taking her social security. What she didn't realize is she gets a guaranteed increase of 8% in social security income every year she delays until age 70. That's a potential 32% increase in social security income for the rest of her life, just for delaying gratification 4 years. She almost made the mistake that so many people make. She wanted the income now, because it's available. But by delaying gratification, she could have more Social Security income for the rest of her life. She felt a big weight off her shoulders after the conversation now that she has a clearer retirement income plan.

Social Security income is an important area of retirement planning and many people mess it up. Here are three things you should do if you have any questions about Social Security:

- 1) Create a budget for your retirement years. Think about matching your fixed lifestyle expenses (think mortgage, property taxes, groceries, utilities, income taxes, travel) with guaranteed income like social security, pension or annuity income
- 2) Do the math on taking social security now versus waiting. Don't let the allure of income today lead you to making a decision which could be fatal to your retirement plan
- 3) Meet with your Financial advisor to review your retirement income plan. Your plan should address important factors such as inflation, the risk of living longer than you anticipate, and stock market risk

Everyone's circumstances are different. It's important that you seek advice from someone who knows yours. If this is something I can help you with, lets schedule a complimentary 20 minute call where we'll look at your retirement plan. We'll make sure that you don't make the same mistake my client almost made.

P.S. if anyone you know is closing in on retirement age, please forward them this article and I'd love to help them. My business is based on referrals.