

PROTECTING RETIREES

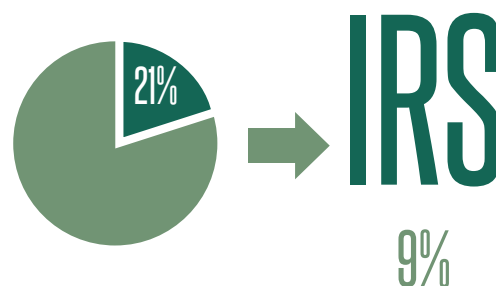


DANGER TAKES MANY FORMS

'Now sweetie, you have to wait an hour after eating before you swim.' Most of us have heard this piece of parental wisdom. It has been passed down from generation to generation. Oddly, no cases of drowning caused by a full stomach have ever been recorded. In fact, neither the American Academy of Pediatrics nor the Red Cross offer any warnings related to swimming after eating.¹ Oh well, mother knows best...right? Plus a little precaution never hurt anybody (*aside from losing countless hours in the pool*). Consider then these statistics on dangers in retirement because whether advice is coming from a parent or a financial planner, it is nice to know that there are numbers to back up the claim.

TAXATION

Retirees with household income over \$100,000 face a combined federal and state effective tax rate of approximately 17–21% in 2026, accounting for taxes on IRA withdrawals, pensions, and Social Security benefits. While the new senior deduction provides some relief, taxes remain one of the largest — and most underestimated — expenses in retirement.²



HEALTH COSTS

In 2024, the median annual cost of a private nursing home room reached **\$127,750, up 9% from the prior year**. With 7 in 10 Americans expected to need long-term care, early planning is essential.³



LONGEVITY

A 65-year-old man can expect to **live to 83; a woman to 86**. For couples, there is a **50% chance at least one spouse survives to 90** — making a 25+ year retirement horizon a real planning necessity.⁴



INFLATION

According to the U.S. Bureau of Labor Statistics data, the purchasing power of the U.S. dollar index **declined from approximately 33.70 in December 2022 to about 30.70 in January 2026** — reflecting a notable erosion in what a dollar can buy over this multi-year period.⁵



MARKET RISK

From 1946 to 2024, the U.S. experienced **13 bear markets** — roughly one every five years — and a retiree with a 30-year horizon can expect to **live through about six of them**. A downturn early in retirement combined with ongoing withdrawals can permanently impair a portfolio's ability to recover.⁶



SOURCES

- 1 <https://www.redcross.org/take-a-class/resources/articles/eating-before-swimming-myth#:~:text=Does%20eating%20right%20before%20swimming,wait%20before%20swimming%20after%20eating.>
- 2 Internal Revenue Service, Tax Inflation Adjustments for Tax Year 2026, [irs.gov](https://www.irs.gov); Tax Foundation, 2026 Tax Brackets and Federal Income Tax Rates, [taxfoundation.org](https://www.taxfoundation.org). Combined effective rate of 17–21% based on 2026 IRS brackets for married filing jointly at \$100,000 income (~12–14% federal effective rate, reflecting the new \$6,000 senior deduction under the One Big Beautiful Bill Act) plus average state income tax (~4–5%). AARP, The Federal Income Tax Brackets for 2026, [aarp.org](https://www.aarp.org).
- 3 Genworth Financial & CareScout, 2024 Cost of Care Survey, released 2025. [genworth.com/carescout.com](https://www.genworth.com/carescout.com)
- 4 Centers for Disease Control and Prevention, National Vital Statistics Data Brief No. 521, December 2024; Retirement Researcher analysis of SSA Period Life Tables, 2024.
- 5 https://ycharts.com/indicators/us_consumer_price_index_purchasing_power_of_the_consumer_dollar_unadjusted?
- 6 Manulife / John Hancock, Bear Market Dos and Don'ts, 2024; T. Rowe Price, Retiring into a Down Market, 2025.

DISCLOSURES

Past performance does not guarantee future results.



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Advisory Services offered through ValMark Advisers, Inc. A SEC registered investment advisor
130 Springside Drive, Akron, OH 44333 800.765.5201

V.03.2026
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