

“In many ways,
the stock market is like the
weather, in that if you do not
like the current conditions,
all you have to do is wait.”
-Low Simpson

“Keep your face always toward the
sunshine,
and shadows
will fall behind you.
Retirement is about choosing joy
and embracing each new day.”

“How many millionaires do you know have
become wealthy by investing in a savings accounts?
I rest my case.”

-Robert G. Allen

Sources: First Trust, Ibbotson Associates, Bloomberg, U.S. Bureau of Labor Statistics. Hypothetical growth of a \$1 investment made on 12/31/1925. Data shows total returns through 5/29/2026 (latest data available). Past performance is no guarantee of future results. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. U.S. government securities are subject to interest rate risk but generally do not involve the credit risks associated with investments in other types of debt securities. As a result, the yields available from U.S. government securities are generally lower than the yields available from other debt securities. Common stocks are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. Inflation is represented by the Consumer Price Index (CPI-U) which measures the average change in prices over time that consumers pay for a basket of goods and services. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Long-Term Treasury Bonds are represented by Ibbotson Long Term Government Bond Index (12/31/1925-5/31/2024) and Bloomberg US Long Treasury Total Return Index Value Unhedged Index (6/1/2024-current) which measure the performance of U.S. Treasury bonds with approx 21.5 and 22.5 year duration, respectively. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Jerry K. Ask and not necessarily those of Raymond James.

THE JKA REPORT

AN INVESTMENT NEWSLETTER FOR CLIENTS & PROSPECTS



Retirement planning tips to stay ahead of inflation

In the course of retirement planning, there are certain things you probably know to think about - your annual budget, the cost of healthcare, and how to withdraw efficiently from your savings. But there's another important facet to focus on - inflation.

Over time, living costs are likely to rise. And even modest increases during retirement could eat away at your savings. That's why it's crucial to have a plan to beat inflation. Here's what yours might look like.

1. Continue to invest in stocks

Many people scale back on stocks as retirement draws near to reduce portfolio risk. But one thing you don't want to do is dump stocks completely.

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You may not want to keep 80% of your portfolio in stocks. But a fairly even stock/bond split could offer the right combination of stability and continued growth, allowing your assets to outpace inflation and help you avoid losing buying power.

2. Don't overdo your cash cushion

Retirees are often advised to maintain a cash cushion. That way, if there's a stock market downturn, you can leave your investments alone and simply use your cash to cover expenses rather than lock in losses permanently.

But one thing you shouldn't do is go overboard on cash. It's a good idea to maintain a large enough cushion to cover one to three years' worth of expenses. And you can perhaps go a bit higher if you'll be keeping a large share of your portfolio in stocks.

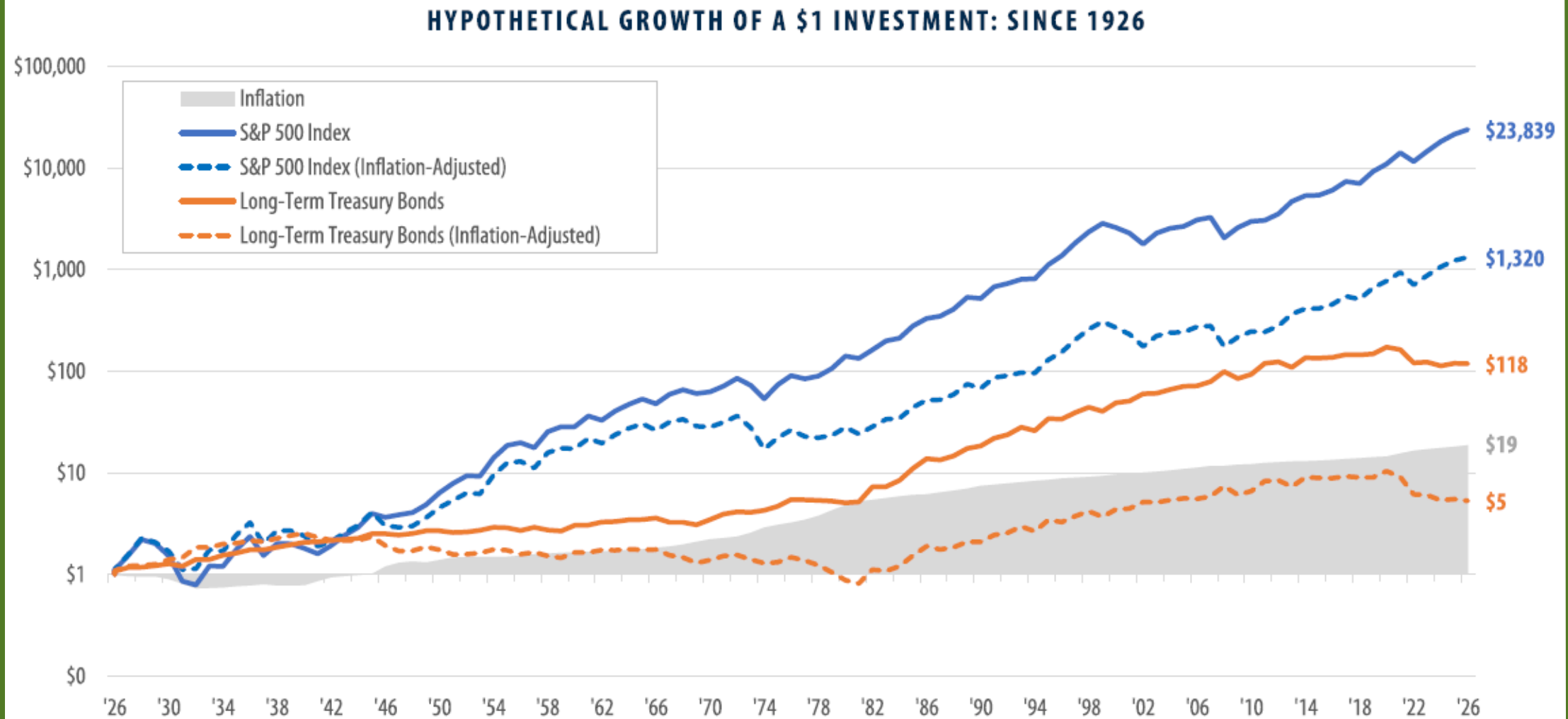
Bust resist the urge to keep 10 years' worth of costs in cash. While it might seem like the safest bet, inflation could easily outpace the amount of interest your cash can earn. In other words, too much cash could cause you to fall behind.

3. Delay your Social Security claim

You get a choice as to when to claim Social Security. The earliest age to sign up is 62. And you'll get your monthly benefit without a reduction if you wait until full retirement age to file, which is 67 if you were born in 1960 or later.

But for each year you hold off on claiming Social Security past full retirement age, up until you turn 70, your benefits get a permanent 8% increase. That not only gives you more buying power from the start, but it also give you more inflation protection.

It can be tempting to shy away from risk in investing, especially during times of market turmoil, but the reality is that all investments carry some degree of risk. The chart below shows the hypothetical growth of \$1 and the effect inflation has historically had on two types of investments - stocks and bonds. This chart shows taking on a certain amount of risk can be necessary to stay ahead of inflation and should be factored in when assessing long-term financial goals.



Social Security benefits are eligible for a cost-of-living adjustment each year. The larger your monthly checks are at the start, the more money those raises are apt to put in your pocket as they arrive.

Inflation is something you can't avoid in retirement, but you can take steps to beat it. The more you plan in advance for rising costs, the less likely you may be to fall behind and struggle financially.