

## Knowledge is Power

### How to Save Your Retirement Plan from Inflation?

There is a word that starts with the letter 'I' and that describes a key element in retirement planning very well that also starts with the letter 'I'. Unfortunately, most people don't factor in or consider this key element when it comes to their retirement planning. The first word is 'invisible' and the second word is 'inflation'.

Inflation is often described as the invisible key element that needs to be included in a successful retirement plan, but that is often overlooked or not considered. The cost to live generally increases each and every year. There are also times when inflation really spikes, which is currently happening now.

In May of 2021, The Labor Department reported that consumer prices surged 5% in May, the biggest increase in 13 years. That is 5% in one month. Many people thought that was as bad as it was going to get. Unfortunately as we all know, inflation continued to get worse, and continues to get worse. So, all of us are paying more at the gas pump, at the grocery store, at the flower shop, etc. Goods and services are going up across the board, and this means you have to live with less or spend more to maintain your lifestyle.

Unfortunately, cost of living increases are not built into most sources of retirement income. Most pension income plans do not have a cost of living adjustment (COLA) built into their income. This means if your pension payment is \$2,000 per month, it will never increase to account for cost of living increases. Social Security does have a COLA built into it, but historically, it is a very low increase or none at all after factoring in increasing Medicare premiums.

This means it is vitally important to have your retirement account set up properly to account for inflation and provide additional income to your plan each year. So, how do you do that? Join me this weekend on The Retirement Money Matters Radio Show as we will share with you the different tools you can use to provide protection against inflation, as well as information about how to set up your retirement plan properly. The show airs on Sunday morning at 8:00 on WWKI (100.5 FM) or anytime online at [www.theretirementmoneymattersshow.com](http://www.theretirementmoneymattersshow.com). You can also obtain this information by reaching out to us at Hayes Advisory Group at 452-PLAN (7526), 800-939-1603 or [brian@hayesadvisorygroup.com](mailto:brian@hayesadvisorygroup.com).