

# 1-5 YEARS FROM RETIREMENT?

## TURNING PREPARATION INTO A CONFIDENT TRANSITION



A PRACTICAL GUIDE TO PREPARING FOR RETIREMENT WITH CLARITY AND CONFIDENCE

# INTRODUCTION: THE TRANSITION PHASE

If retirement is one to five years away, you are entering one of the most important planning windows of your life.

This stage is different from every phase that comes before it. You are no longer planning for a distant future — you are preparing for a real transition that will soon impact your day-to-day life. Income will replace paychecks. Savings will begin working in a new way. Financial decisions will feel more permanent.

Many people describe this period as both exciting and unsettling. There is anticipation about what comes next, but also a growing awareness that mistakes made now can be harder to correct later.

This guide is designed to help bring structure and clarity to that transition, so retirement feels like a thoughtful step forward — not a leap of faith.



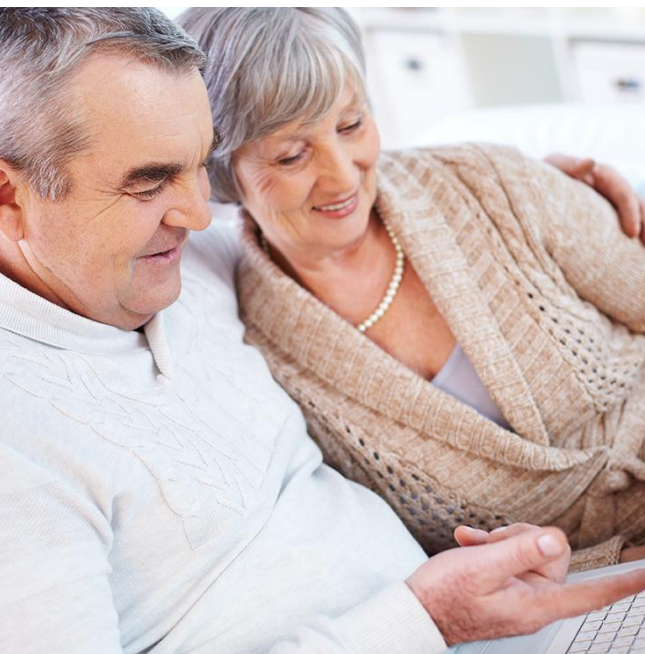
*Clarity replaces anxiety. A clear transition plan helps you move forward with confidence.*



# ARE YOU TRULY READY TO RETIRE?



*Readiness is not about optimism  
— it's about preparation.*



Retirement readiness is often misunderstood.

It's easy to look at account balances and assume everything is on track. But true readiness involves understanding how those balances translate into sustainable income, not just theoretical net worth.

This is the stage where it's important to ask deeper questions:

- Can your income support your lifestyle over many decades?
- What happens if markets underperform early in retirement?
- How sensitive is your plan to unexpected expenses or changes?

Testing your assumptions now allows you to make adjustments while you still have time — rather than discovering gaps after retirement begins.

# SHIFTING FROM GROWTH TO INCOME

For most of your working life, the focus has been on growing your assets.

As retirement approaches, that focus begins to shift. Growth is still important, but it must now support a new objective: reliable income.

This stage often involves rethinking:

- How much volatility you're comfortable with
- How withdrawals will be funded
- How your portfolio behaves in down markets

The goal is not to eliminate risk, but to make sure risk is aligned with your timeline and income needs. A portfolio designed for accumulation may behave very differently once withdrawals begin.



*Income-focused planning adds structure to growth, rather than replacing it.*

# SOCIAL SECURITY TIMING MATTERS

Social Security plays a larger role in retirement income than many people expect.

Because the decision of when to claim affects your income for life, it deserves careful consideration — especially within the broader context of your entire financial picture.



*Social Security decisions are most effective when made as part of a coordinated plan — not in isolation.*



Claiming too early may reduce lifetime income. Waiting longer may increase monthly benefits but require other income sources to bridge the gap. Spousal considerations and tax interactions add additional layers.

Understanding how Social Security fits into your overall income plan can help prevent rushed or emotional decisions.

# MANAGING MARKET RISK NEAR RETIREMENT



Market volatility takes on new meaning when retirement is close.

When withdrawals coincide with market downturns, portfolios can be strained in ways that aren't obvious during accumulation years. Losses may take longer to recover, and income may feel less predictable.

This is why planning during this stage often focuses on:

- Creating income buffers
- Structuring withdrawals thoughtfully
- Maintaining flexibility during volatile periods



*You don't need to predict market declines — you need to be prepared for them.*

Preparation doesn't mean avoiding markets — it means understanding how markets interact with income.

# TAXES BECOME MORE IMPORTANT THAN EVER

As retirement income sources begin to overlap, taxes often become more visible — and more impactful.

Withdrawals from different accounts are taxed differently, and the order in which income is taken can affect how much you keep. Taxes can also influence how Social Security benefits are treated and how long assets last.

Planning for taxes during this phase can help:

- Reduce unnecessary tax exposure
- Improve income efficiency
- Increase flexibility over time



*Tax awareness is not about complexity — it's about coordination.*

Even small adjustments can have long-term effects.



# COMMON TRANSITION MISTAKES

The years just before retirement can feel busy and overwhelming.

Because of this, many people unintentionally make decisions without fully understanding the long-term impact. Common mistakes include retiring without a written income strategy, reacting emotionally to market news, or underestimating healthcare-related expenses.

Awareness of these pitfalls doesn't guarantee perfection — but it significantly reduces the likelihood of regret.



*Avoiding one major mistake can matter more than finding the “perfect” plan.*



# ALIGNING THE PIECES



At this stage, success comes from coordination.

Income, investments, taxes, healthcare, and timing must work together. When they don't, retirement can feel disjointed and stressful. When they do, retirement often feels calmer and more intentional.

Alignment doesn't mean rigidity. It means having a clear framework that allows for adjustments as life unfolds.

The final years before retirement represent a turning point. With thoughtful planning, this transition can feel steady and empowering. The goal is not to control every outcome, but to move forward with clarity, flexibility, and confidence — knowing your decisions are intentional and informed.

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D A N W H I T E A N D A S S O C I A T E S . C O M



*A coordinated plan creates confidence — even when circumstances change.*