FRAME
WEALTH PARTNERS

10 RETIREMENT INVESTMENT BLUNDERS TO AVOID

Retirement is one of the biggest financial transitions in life. Unfortunately, many retirees make costly mistakes that can jeopardize the nest egg they've worked so hard to build. The good news? With careful planning, these blunders are completely avoidable.

At Frame Wealth Partners, we guide families, entrepreneurs, and retirees through this critical stage, helping them avoid the most common pitfalls. In this guide, we'll walk through 10 of the most common retirement investment mistakes—and how to sidestep them.

1 Claiming Social Security Too Early

Why it happens: Fear of missing out, or alarming headlines about Social Security running out, push many retirees to claim benefits as soon as they're eligible at 62.

Reality: Claiming early can reduce benefits by up to 30% for life. Waiting until full retirement age or 70 can increase your income substantially. Poor timing can also reduce survivor benefits for spouses.

Frame's Insight: We model Social Security as part of the bigger plan—coordinating with other income sources, tax considerations, and spousal strategies to potentially maximize lifetime benefits.

Want to know your optimal Social Security age? Schedule a Wealth Frame Session.

2 Not Accounting for Inflation

Why it happens: Inflation seems minor year to year, so retirees underestimate its impact.

Reality: At 3% inflation, $5,000 in monthly expenses today will cost over $9,000 in 20 years. Retirees on fixed incomes often feel squeezed later in life.

Frame's Insight: We ensure retirement portfolios include equities and growth assets, even for conservative clients, to preserve long-term purchasing power.

Curious if your plan is inflation-proof? We'll run the numbers for you.

3 Underestimating Healthcare Costs

Why it happens: Many assume Medicare covers everything.

Reality: Fidelity estimates the average couple retiring at 65 will need more than $300,000 for healthcare costs. Long-term care can be an even bigger wildcard.

Frame's Insight: We incorporate projected healthcare costs, Medigap coverage, and potential long-term care needs into every retirement plan so clients aren't blindsided.

Want to see how healthcare impacts your plan? Let's model it together.

4 Taking on Too Much Risk

Why it happens: Some retirees feel behind on savings and invest aggressively to catch up.

Reality: A large market downturn early in retirement (known as sequence-of-returns risk) can devastate portfolios when withdrawals are happening simultaneously.

Frame's Insight: We stress-test portfolios for downturns and balance growth with capital preservation to preserve near-term income needs.

Not sure if your portfolio risk matches your stage of life? Let's run a risk analysis.

5 Taking on Too Little Risk

Why it happens: Fear of losses leads some retirees to move all assets into cash or CDs.

Reality: Being too conservative means low returns—combined with inflation, this can cause retirees to outlive their money.

Frame's Insight: We balance safety and growth, with the goal of ensuring portfolios provide income stability while still aiming to grow to shield against inflation.

Is your retirement portfolio too conservative? We can help you rebalance.

6 Ignoring Taxes in Withdrawals

Why it happens: Retirees often withdraw money without considering tax impact.

Reality: Withdrawing too much from IRAs can push retirees into higher tax brackets, trigger Medicare surcharges, and reduce net income.

Frame's Insight: We design tax-efficient withdrawal strategies—sequencing withdrawals across taxable, tax-deferred, and Roth accounts to manage lifetime taxes.

Want to see how much you could save with tax-efficient withdrawals? Book a consultation.

7 Withdrawing Too Much Too Soon

Why it happens: Many retirees want to spend big early on travel or family support.

Reality: Overspending in the first decade can shrink portfolios permanently. A sustainable withdrawal rate (around 4–5%) is often much safer.

Frame's Insight: We run Monte Carlo simulations to test withdrawal sustainability under different market conditions, providing clarity and confidence.

Want to test if your withdrawals are sustainable? Let's run a retirement stress-test.

8 Neglecting Required Minimum Distributions (RMDs)

Why it happens: Confusion around RMD rules or simple procrastination.

Reality: Missing RMDs can lead to IRS penalties of up to 25% of the missed amount.

Frame's Insight: We track RMDs proactively, and explore strategies like Roth conversions and QCDs (qualified charitable distributions) for tax efficiency.

Not sure how RMDs affect your plan? We'll walk you through step by step.

9 Not Having a Coordinated Investment & Income Plan

Why it happens: Retirees manage accounts separately without integrating them into a comprehensive plan.

Reality: Without coordination, portfolios may become tax-inefficient and withdrawals poorly timed, leading to avoidable losses.

Frame's Insight: We create coordinated plans where investments, withdrawals, and taxes work together to potentially maximize efficiency and sustainability.

Ready for a coordinated plan that works together? Let's frame your future.

10 Doing It Alone

Why it happens: Retirees assume managing everything themselves saves money.

Reality: DIY management often results in missed opportunities, higher taxes, and lack of integrated planning.

Frame's Insight: We serve as your personal CFO—integrating investments, taxes, insurance, and estate planning into one comprehensive strategy.

Why go it alone when you can have a partner? Schedule your complimentary Wealth Frame Session today.

Key Takeaways

- The timing of Social Security can make or break your plan.
- Inflation is the silent risk every retiree faces.
- Healthcare costs must be planned for.
- Balance risk — not too much, not too little.
- Taxes matter just as much in retirement as they do while working.
- Sustainable withdrawals preserve your nest egg.
- RMDs are mandatory — don't miss them.
- A coordinated income plan is essential.
- Retirement is too important to go alone — get guidance.

About Frame Wealth Partners

At Frame Wealth Partners, we help entrepreneurs, business owners, and families:

- Build tax-efficient investment strategies.
- Create retirement income they won't outlive.
- Preserve their wealth across generations.

You've worked hard to build your wealth. Let us help you preserve it — and grow it — with confidence.

Book Your Complimentary Consultation Here

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