MORGAN HOUSE

Morgan House Retirement Blueprint

Introduction

From the desk of Jack Brown, Wealth Advisor, Morgan House

Morgan House Capital, LLC is a fiduciary, fee-only firm focused on helping individuals and families retire with confidence. We're based in East Hartford, CT, and serve clients across the U.S.

Dear Friend,

Thank you for taking the time to read this important guide. It's designed to help you gain clarity and confidence as you plan for retirement.

At Morgan House Capital, we work with individuals, families, retirees, and business owners to help them retire comfortably — with strategies tailored to their unique goals and values.

Over the years, I've found that many people are so focused on their day-to-day responsibilities that they overlook the foundational elements of a strong retirement plan. Without clear guidance, this can lead to delays, uncertainty, or the inability to fully enjoy the retirement they've worked so hard to earn.

This guide is meant to change that. Inside, you'll find key questions and strategies to help ensure your money lasts — and supports the life you truly want to live.

I recommend setting aside 10 minutes to read through it thoughtfully, ideally with your spouse or partner.

Let’s get started.

Warmly,

Jack Brown

Founder, Morgan House Capital

1. Where do you stand in your retirement journey?

Understanding Your Stage of Retirement

At some point, nearly everyone plans to step away from the workforce — which makes retirement planning not just important, but essential.

People generally fall into one of three key stages of the retirement journey. Understanding where you are can help shape the right strategy for where you’re headed next.

Planning for Retirement

If you’re still in your primary earning years, time is your greatest asset. Now is the moment to take full advantage of tax-advantaged retirement accounts, employer matches, and consistent savings habits. The focus should be on building both assets and future income streams — while accounting for long-term factors like longevity, inflation, and rising healthcare costs.

Nearing Retirement

As you approach the transition out of full-time work, your planning becomes more focused. Ask yourself:

- When do I want to retire?
- What will my days look like?
- Where do I want to live?

This is the time to estimate your income and expenses, build a sustainable cash flow strategy, and consider catch-up contributions or adjustments to ensure you're on track.

In Retirement

Once you’ve retired, the priority shifts to maintaining income stability and aligning your resources with your lifestyle and legacy goals. But the planning doesn’t stop here — it evolves. A successful retirement requires ongoing adjustments to your strategy as markets, health, and needs change over time.

2. What are your goals in retirement?

Defining Your Retirement Goals

Retirement isn't just about stepping away from work — it's about stepping into a new phase of life that you get to design. And like any meaningful life stage, your goals during retirement may evolve over time.

That's why one of the most important first steps in retirement planning is to clearly define what a fulfilling retirement looks like for you. This isn't just about finances — it's about values, priorities, and purpose.

Start by imagining your daily life in retirement.

- **Where do you want to live?** Will you downsize, relocate, or stay close to family?
- **How do you want to spend your time?** Are you drawn to leisure, service, travel, or creative pursuits?
- **Do you want to give?** Whether to children, grandchildren, or charitable causes, how you plan to give back should align with your financial strategy.
- **Are there passions you've postponed?** Retirement can be the perfect time to learn new skills, launch a small business, or pursue long-held interests.
- **How important is freedom and flexibility?** Many retirees want the ability to make spontaneous decisions — to take a trip, help a family member, or invest in a personal project.

Your goals don't have to be final — but the more clarity you gain, the more confidently you can build a plan to support them.

That said, retirement planning also requires trade-offs. Most people face competing objectives: traveling the world vs. leaving a financial legacy, living lavishly now vs. protecting long-term security. Clarifying where you're willing to compromise — and where you're not — helps you make decisions that reflect your true priorities.

A good retirement plan aligns your resources with what matters most to you — not just today, but over the years to come. And when your plan is built around your life, not just your portfolio, it becomes something much more powerful: a blueprint for freedom with purpose.

3. What are the important trade-offs you need to make?

The Trade-Off Between Withdrawals and Longevity

For most retirees, drawing income from investment accounts is essential to maintaining their lifestyle and meeting everyday expenses. But managing income and cash flow during retirement isn't as simple as picking a number and sticking to it. It's a dynamic challenge — one that depends on factors like market performance, inflation, withdrawal strategy, and portfolio allocation.

The central question becomes: **How much can you safely withdraw without running out of money?**

Withdraw too much, and you risk depleting your savings too early. Withdraw too little, and you may sacrifice the quality of life you worked hard to achieve. Striking the right balance is crucial — and often requires adjusting your strategy over time.

For example, in some cases, you may need to reduce your annual withdrawal to ensure long-term sustainability. In others, you might consider increasing your exposure to equities for greater growth potential — while accepting the increased volatility that comes with it.

To illustrate this trade-off more clearly, let's look at two hypothetical scenarios based on a $1,000,000 retirement investment portfolio. These simulations were run using a traditional Monte Carlo model, which uses decades of historical market data to project possible future outcomes, adjusted for inflation.

Both scenarios assume a 30-year retirement horizon and compare three different portfolio allocations:

- **100% Stocks**
- **70% Stocks / 30% Bonds**
- **50% Stocks / 50% Bonds**

In **Scenario 1**, the retiree withdraws **$100,000 per year**.
In **Scenario 2**, the withdrawal is reduced to **$50,000 per year**.

As you'll see, the difference in withdrawal rate dramatically impacts the portfolio's ability to sustain income over a 30-

the difference between running short and retiring securely.

Scenario 1: In this scenario the investor is withdrawing $100,000 per year from the retirement portfolio of $1,000,000 for a 30-year period

Scenario 1 shows us that the probability of your portfolio lasting 30 years is quite low at 20.49% in the best case.

Scenario 2: In this scenario the investor is withdrawing $50,000 per year from the retirement portfolio of $1,000,000 for a 30-year period

Scenario 2 shows us that the probability of your portfolio lasting 30 years is quite high at 90.28% in the best case

[1] The Monte Carlo simulation used is based on the historical return where it uses historical data to forecast future returns. We have used fixed annual withdrawal and the simulation uses the yearly inflation adjustment. The results shown by the simulation are based on 10,000 portfolios with $1,000,000 initial portfolio balance using available historic returns data from Jan 1987 to Dec 2018. The simulated inflation model uses historical data based on the Consumer Price Index (CPI-U) data from Jan 1987 to Dec 2018. For Stocks, the simulation uses US Stock Market and for Bonds, the simulation uses Total US Bond Market for portfolio distribution. These portfolios are just selected to demonstrate a simulated scenario to illustrate a point. No assurance or guarantee is given that these returns will be achieved. 1776 Financial and Raymond James makes no claim to its accuracy. Investing in security involves risks of loss. Past performance is not an indicator of future returns.

4. How long will my portfolio need to provide?

Planning for Longevity: Will Your Money Last as Long as You Do?

Thanks to medical advancements, healthier lifestyles, and greater awareness of preventive care, people are living longer than ever before. That's something to celebrate — but it also introduces one of the biggest challenges in retirement planning: **longevity risk**.

Simply put, you may need your retirement savings to last 25, 30, or even 40 years — far longer than previous generations ever anticipated. That's not just about covering your basic living expenses, but also adapting to life's changes along the way: healthcare needs, rising costs, shifting goals, or helping a loved one.

This is where your **retirement time horizon** becomes a critical part of the planning process. It's not just about reaching retirement — it's about being prepared for every year after. Your portfolio needs to be positioned to deliver sustainable income throughout that entire period, while also adapting to inflation, market changes, and unforeseen expenses.

One of the most important decisions you'll make is how to **allocate your investments** across different asset classes — especially between stocks and bonds.

- Stocks provide growth potential that can help outpace inflation and extend the life of your portfolio.
- Bonds typically offer more stability and income but may not keep up with rising costs on their own.

Finding the right mix — one that balances growth with preservation — is essential to long-term success. That mix should also evolve as you move deeper into retirement, based on your spending needs, health, and risk tolerance.

The time to retire isn't just when you *want* to — it's when your portfolio can confidently support the life you envision across your entire retirement horizon. A thoughtful, well-structured plan brings peace of mind and provides a steady foundation to enjoy your next chapter with purpose and security.

[3] *Statistic: Mortality overview. Updated 2015-11-30 https://www150.statcan.gc.ca/n1/pub/91-209-x/2013001/article/11867/tbl/tbl3-eng.htm*

5. What are the risks I face during my retirement?

Preparing for the Unexpected: Understanding Retirement Risks

As you look ahead to retirement, it's natural to feel both hopeful and uncertain. Retirement should be a time of freedom, purpose, and peace — but it also comes with variables you can't fully control. One of the most important ingredients in a successful retirement plan is **flexibility** — the ability to adjust as life changes, markets shift, and needs evolve.

While you can't predict the future, you *can* prepare for it. A resilient retirement plan doesn't assume everything will go smoothly. Instead, it anticipates what could go wrong — and builds in safeguards to protect your lifestyle, health, and financial stability.

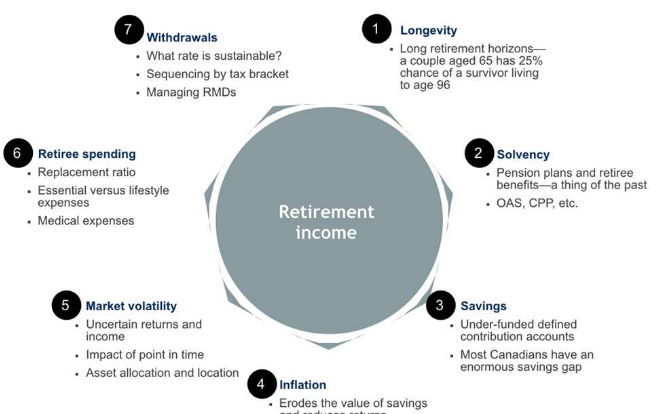
That means looking closely at your personal plan and asking:

- How would I adapt if the market dropped 20% next year?
- What if I or my spouse needed long-term care?
- How would inflation or rising taxes affect my cash flow?
- Can my plan absorb unexpected costs without derailing my goals?

Being proactive about these questions allows you to plan from a position of strength — rather than reacting in a moment of crisis.

Below are **seven key risks** most retirees face today. Each of them has the potential to disrupt even the most carefully crafted plan if not addressed early on. Your retirement strategy should account for each one and offer solutions that align with your priorities, risk tolerance, and time horizon.

Let's explore them now — and how to stay one step ahead.




6. What is the impact of inflation on lifestyle in retirement?

Lifestyle Planning & Inflation: Why Your Retirement Needs Room to Breathe

Retirement isn't just about covering the basics — it's about living life on your terms. For many people, this next chapter includes far more than just paying bills or maintaining a roof over their head. It's about *living fully* — exploring hobbies, spending time with loved ones, giving back, staying active, and enjoying the experiences you may have put off during your working years.

Whether that means playing golf a few times a week, traveling to visit grandchildren, joining a community club, taking art or language lessons, or simply enjoying more frequent dinners out, these lifestyle choices add up. And while they enrich your retirement experience, they also create additional financial demands that must be accounted for in your plan.

Many retirees underestimate these lifestyle expenses, especially in the early years of retirement when energy and enthusiasm are highest. This stage — sometimes called the "go-go years" — tends to be more active, more spontaneous, and often more expensive. If your retirement plan doesn't leave room for these activities, you may find yourself needing to cut back too soon.

And then there's the silent force that can quietly undermine even the best-laid plans: **inflation**.

Over time, inflation erodes the purchasing power of your money — often more dramatically than people expect. While inflation may average just 2–3% annually, that modest figure can lead to a **doubling of your expenses over a 25- to 30-year retirement**. That $60 dinner could cost $100 a decade from now. A $5,000 monthly budget could feel like $8,000 within 20 years.

The impact of inflation is especially significant in areas like:

- Healthcare and long-term care costs
- Travel and leisure
- Property taxes and insurance
- Food, transportation, and utilities

That's why a strong retirement plan doesn't just factor in today's expenses — it anticipates tomorrow's. Your portfolio needs to be designed to grow enough over time to **outpace inflation** while still providing consistent income. That often means maintaining some exposure to growth assets (like equities), even into retirement, alongside more stable income-producing investments.

Ultimately, retiring comfortably means having the financial flexibility to live life the way *you* envision it — without constantly second-guessing your spending or sacrificing your lifestyle. A well-constructed financial plan gives you that flexibility. It ensures your money is working hard behind the scenes so you can focus on what matters most: living, exploring, giving, and enjoying every moment you’ve earned.

7. How do you manage cash flow in retirement?

Mastering Cash Flow in Retirement: Income, Expenses, and Sustainability

One of the most important — and often overlooked — elements of a successful retirement strategy is **cash flow management**. In simple terms, it's the process of making sure your income consistently meets your expenses, not just today, but for every year of your retirement.

While this may sound straightforward, the reality is more complex. Most retirees find that managing multiple sources of income, adjusting to changing expenses, and forecasting long-term needs is far more difficult in retirement than it was during their working years. The challenge isn't just *budgeting* — it's **coordinating moving parts** in a way that supports financial longevity, security, and flexibility.

Cash flow in retirement has two essential components:

- **Income** — the money coming in each month from investments, pensions, Social Security, annuities, rental properties, or part-time work.
- **Expenses** — the money going out for housing, food, healthcare, travel, taxes, insurance, entertainment, and other lifestyle needs.

How Cash Flow Changes in Retirement

During your working years, income tends to be consistent — usually from a single employer. Expenses often follow a predictable monthly rhythm, making budgeting relatively easy.

In retirement, that stability shifts:

- Your **income becomes more fragmented**, coming from multiple sources, each with its own tax treatment, risk profile, and timing.
- Your **expenses may fluctuate more**, especially in the early and later stages of retirement (e.g., travel-heavy years early on, healthcare-heavy years later).

This transition requires a new level of attention — not just to budgeting, but to **cash flow sequencing, income timing, tax strategy, and portfolio withdrawals**.

Common Sources of Retirement Income

Most retirees rely on some combination of the following:

- **Social Security** — Often the foundation of retirement income, but not always enough to fully support lifestyle goals.
- **Investment Portfolio Withdrawals** — From IRAs, 401(k)s, brokerage accounts, or Roth accounts. Timing and tax efficiency matter greatly here.
- **Pension Income** — For those lucky enough to have one, provides steady, guaranteed payments.
- **Rental Income** — Ongoing cash flow from real estate holdings or other passive investments.
- **Annuities** — Insurance products that can offer guaranteed lifetime income in exchange for a lump-sum payment.
- **Part-Time Work or Consulting** — Optional, but often used in the early years of retirement for income and fulfillment.

Why a Cash Flow Strategy Matters

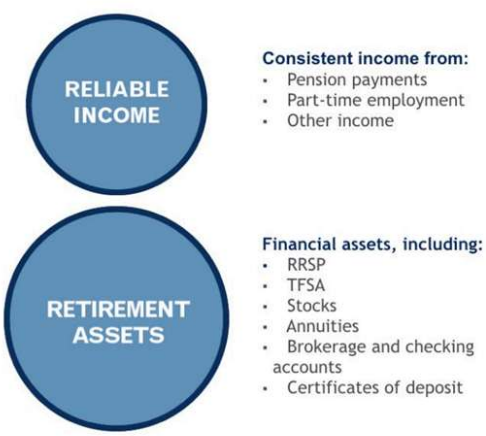
Without a clear income strategy, retirees risk either:

- **Overspending early** and running out of money too soon
- Or **underspending out of fear**, missing out on the lifestyle they worked so hard to earn

To avoid either scenario, it's critical to:

- Create a **detailed inventory** of all income sources and assets earmarked for retirement spending
- Develop a **withdrawal strategy** that balances sustainability, tax efficiency, and flexibility
- Regularly **monitor and adjust** your plan as markets shift, spending changes, or new goals arise

With the right planning, cash flow management becomes less of a burden and more of a tool — one that helps ensure your money not only lasts, but supports the life you truly want to live.



Facts About Morgan House To Guide You With Your Retirement Plan

Your retirement portfolio is tailored to your needs ✓

You get an opportunity to work with an experienced advisor ✓

Our team provides a disciplined approach to investing ✓

We develop a holistic plan by tapping assets in a logical order ✓

We take into account your investment horizon, objectives, cash flow, risk tolerance, and other factors that are personal to you ✓

How Morgan House Capital Can Help

Congratulations — you've made it to the end of this guide.
We hope you feel more informed, confident, and empowered to take control of your retirement journey.

If you're still feeling a bit overwhelmed — that's completely normal. Retirement planning is complex, and it's not something you have to navigate alone.

At **Morgan House Capital**, we take a personalized, team-based approach to retirement and financial planning. We take the time to understand your unique goals, circumstances, and concerns — and we use that insight to help craft a strategy that supports your vision for the years ahead.

We don't believe in one-size-fits-all solutions. Our process is structured, but highly tailored. We guide you through four key steps:

1. **Assess** your current situation and retirement goals
2. **Create** a custom financial roadmap based on your needs and values
3. **Implement** the strategy across your accounts and assets
4. **Manage** your plan over time, adjusting as life changes

This approach allows our clients to gain clarity, reduce uncertainty, and feel supported throughout every stage of retirement.

As a next step, we'd like to offer you a **Complimentary Consultation** — a one-on-one session where we'll review your retirement readiness, discuss your personal goals, and identify any potential gaps or opportunities.

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Whether you're just starting to plan or already in retirement, this conversation can provide clarity, peace of mind, and

We look forward to speaking with you.

Warm regards,

Jack Brown
Founder, Morgan House Capital

Disclosures

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