The 4-Step Retirement Guide

Retirement planning doesn't have to feel like guesswork

Most people spend more time planning a two-week vacation than they do planning the thirty years that follow their last paycheck.

I don't say that to be harsh. I say it because I've sat across the table from hundreds of people over the past decade-plus, and almost every one of them started our first conversation the same way: "I know I should have a plan, I just don't know where to start." If that sounds like you, you're in good company. Retirement planning feels complicated because most of what's written about it *is* complicated — dense, jargon-heavy, and written for other financial professionals instead of for the person who actually has to live with the decisions.

So I've boiled it down. After years of helping individuals and couples move from "I hope this works out" to "I know this works," I've found that nearly every solid retirement plan is built on the same four steps, done in the same order. Skip a step, or do them out of order, and you end up with a plan that looks fine on paper but doesn't hold up when life happens. Follow them in order, and you end up with something sturdier: a plan built around *you*, not a generic formula.

Here they are.

Step 1: Get honest about your number — and what it's actually for

Before you can build a retirement plan, you need to know what you're building it for. Not in vague terms like "a comfortable retirement," but in real terms: What does a typical month look like? Where do you want to travel, and how often? Do you want to help fund a grandchild's education? Are you planning to downsize, relocate, or stay put?

This is the step most people rush past, and it's the one I spend the most time on with new clients. Here's why it matters so much: every number that comes later in the process — how much you need to save, how you should invest, when you can afford to retire — is a downstream calculation from this first, deeply personal question. Get this step wrong, and everything built on top of it is wrong too.

I like to separate this into three buckets:

Essential expenses — housing, food, insurance, utilities, the things that don't change whether the market is up or down.

Lifestyle expenses — travel, hobbies, dining out, the things that make retirement feel like retirement instead of just "not working."

Legacy goals — what, if anything, you want to leave behind, whether that's for family, a cause you care about, or both.

Once you can put real numbers next to those three buckets, you've done something most people never do: you've turned "retirement" from a fuzzy someday into a concrete target.

Step 2: Build your income floor before you build your growth strategy

Here's where I see the most well-intentioned retirement plans go sideways. People spend years — sometimes decades — focused almost entirely on growing their nest egg, and almost no time figuring out how that nest egg actually turns into a monthly paycheck once they stop working.

Growing your money and generating income from your money are two different skill sets, and they require two different mindsets. A portfolio that's perfect for accumulation, all growth-oriented and market-exposed, can be exactly the wrong shape for someone who needs to draw a reliable income from it starting next year.

This is the step where we identify your guaranteed income sources — Social Security, any pension you're entitled to, annuity income if that's part of your plan — and stack them up against your essential expenses from Step 1. The goal is simple to state, even if it takes real work to achieve: cover your non-negotiable costs of living with income that doesn't depend on what the stock market did last Tuesday.

Social Security alone is a decision worth getting right. Depending on when you claim it, relative to your full retirement age, your monthly benefit can swing significantly — and that decision, once made, is largely permanent. I hold National Social Security Advisor certification specifically because I've seen how much is riding on this one choice, and how often it's made based on a rule of thumb rather than a real analysis of someone's specific situation.

Once your essential expenses are covered by income you can count on no matter what, something interesting happens psychologically: the rest of your portfolio can be invested for growth and lifestyle spending, without the anxiety of wondering whether a bad market year means you can't pay your bills. That peace of mind isn't a soft benefit. It's the whole point.

Step 3: Plan for the risks you can't predict — because they're the ones that do the damage

Every retirement plan I've ever seen fall apart didn't fall apart because someone picked the wrong mutual fund. It fell apart because of a risk nobody planned for. In my experience, there are four that matter most:

Market risk — the danger of needing to withdraw money from your portfolio during a downturn, which locks in losses you'd otherwise have time to recover from.

Withdrawal rate risk — pulling money out faster than your portfolio can sustain, which can turn a healthy nest egg into a depleted one well before you expected.

Longevity risk — the very good problem of living a long life, which means your money needs to last longer than a lot of people plan for. A 65-year-old today has a real chance of living into their 90s.

Medical and long-term care risk — the cost that catches more retirees off guard than any other. A single extended care need can undo decades of careful saving if there's no plan in place for it.

None of these risks are things you can predict with certainty. But all of them can be planned for. That's the difference between hoping your plan works and knowing it's built to hold up. This is also where I think a lot of do-it-yourself retirement planning falls short — not because people aren't smart enough to understand these risks, but because it's genuinely hard to stress-test your own plan objectively when it's your own retirement on the line.

Step 4: Revisit the plan — because your life won't stand still, and neither should your plan

I tell every client the same thing when we finish building their initial plan: this is a living document, not a stone tablet.

Tax law changes. Just look at how much shifted with the recent One Big Beautiful Bill Act and its effect on Social Security taxation, senior deductions, and Medicare and Medicaid rules — provisions that directly affect retirement income planning and that didn't exist a couple of years ago. Markets move. Health changes. Grandchildren arrive. Rules around required minimum distributions get adjusted. A plan that was perfectly built for your life in 2024 may need real adjustment by 2027, not because it was wrong, but because life moved and the plan needs to move with it.

This is the step people skip most often, usually because the first three steps feel like "the real work" and this one feels like maintenance. I'd push back on that framing. A plan you build once and never revisit isn't a retirement plan — it's a retirement guess with good intentions. I recommend a real review at least annually, and always after a major life event: a health diagnosis, a market shock, a change in family circumstances, or a shift in tax law that affects your specific situation.

Why order matters

You'll notice these four steps build on each other. You can't set an income floor (Step 2) without first knowing your real expenses (Step 1). You can't plan for risk (Step 3) without understanding what income is already protected versus what's exposed. And you can't know what to revisit (Step 4) without a real plan in place to revisit.

I've watched people try to shortcut this process — jumping straight to "what should I invest in" without ever doing Step 1, or obsessing over market risk while ignoring the much larger risk that comes from an uncoordinated Social Security claiming strategy. It rarely ends well. The plans that hold up, year after year, market cycle after market cycle, are the ones built in order, with each step supporting the next.

Where this leaves you

If you've read this far, you already have more of a framework than most people bring into retirement. That's a genuine head start. But a framework isn't the same as a plan — the real value comes from applying these four steps to your specific numbers, your specific goals, and your specific risks.

That's the work I do every day, and it's work I'd welcome the chance to do with you.

About Jim Cooper

Jim Cooper is a Certified Financial Fiduciary® and National Social Security Advisor with New Insight Financial. Before moving into financial services, Jim spent 30 years in the defense industry, an experience that shaped his belief in careful, methodical planning under real-world constraints. For more than a decade, he has hosted seminars across the community on Social Security, retirement income planning, Medicare, and long-term care — always with the same goal: helping people replace financial uncertainty with a clear, workable plan. Jim's approach is built on a simple principle: People First, Money Second.

Ready to build your plan?

Contact Jim Cooper at jimcooper@newinsightfinancial.com or (863) 589-6850 to schedule a complimentary consultation.

This material is intended for general educational and informational purposes only and does not constitute personalized financial, tax, or legal advice. Social Security, Medicare, and tax rules referenced here are subject to change. Please consult with a qualified financial, tax, or legal professional regarding your individual circumstances before making any financial decisions.