

Live fully, spend confidently

Your Decumulation Action Planner — turning savings into reliable retirement income



Written by Jean Chatzky for Corebridge Financial
Founder and CEO of HerMoney

Real quick: Close your eyes and think about retirement. What comes to mind?

Maybe ... Freedom. Enjoyment. Reward.

If those are the words that surfaced for you, you're in very good company — our research with Corebridge Financial* finds that these are the key words many people associate with retirement. And it makes sense, because this is a stage of life you've worked hard for and is absolutely something to look forward to.

But some of us may also be feeling a little bit ... well, intimidated. Because, while we've spent decades learning how to save, almost no one has taught us how to spend. And that's a problem — both strategically and emotionally.

Over the years I've seen firsthand — via my work as the CEO of HerMoney and in writing my upcoming book, *The Forever Paycheck* — that today's retirement isn't what it used to be. We've shifted from a world where employers shouldered much of the responsibility for our retirement, via pension plans, to one where the burden for saving and planning for retirement is largely on us. At the same time, we're living longer. A 30-year retirement is no longer the exception — it's the expectation we should be planning for.

In other words, it's okay if you're feeling a mix of excitement and concern about the next chapter ... the good news is that confidence can prevail, as long as you have a plan for what comes next.



*Research referenced in this planner is from the 2025 Corebridge Financial decumulation survey, unless otherwise noted. The survey was conducted for Corebridge Financial by Greenwald Research. Information was gathered through an online survey of 2,210 adults aged 45-79 who have \$100,000+ in investable assets. Surveys were completed between October 14, 2025, and November 3, 2025.

Eight steps toward retirement confidence

1. Understand decumulation (and why it matters)	4
2. Navigate decumulation with help from a trusted resource	5
3. Estimate what you'll spend — and how that may change over time	6
4. Know where your income will come from	7
5. Create a spending strategy aligned to your income sources	8
6. Plan your Social Security strategy carefully	10
7. Protect your income for the long run	11
8. Bring it all together — and live fully	13
About the author	15

Step 1

Understand decumulation (and why it matters)

If you're not sure about what decumulation in retirement means, you're not alone. The Corebridge Financial survey found that only 31% of people ages 45 to 79 understand the term.

In simplest terms, if **accumulation** is the process of building your nest egg, **decumulation** is how you turn that nest egg into a "paycheck".



Accumulation

The stage of building wealth by saving and investing consistently — making regular contributions to retirement accounts and giving your money time to grow and compound. Accumulation usually happens during your working years and is often described as the "nest egg" phase.



Decumulation

Using your savings and investments to support your life in retirement. Focuses on creating sustainable income while deciding when, where, and how much to draw from different accounts, balancing spending needs, taxes, market risk, and long-term security.

And while at the most basic level, decumulation is about withdrawing money, it's also about:

- **Funding** the lifestyle you want — for today and over time — so you can enjoy your hard-earned savings.
- **Balancing** income needs, market risk, and longevity risk.
- **Managing** taxes and healthcare costs, including Medicare premiums that can rise based on your income.
- **Preparing** for life's curveballs — an unexpected home repair, a surprise medical bill, or a family member who needs help.
- **Planning** your withdrawals so your money supports the life you want — and the legacy you hope to leave.

Because you're not planning for just a few years — retirement could easily span 30 years or more. Retire in your early 60s? Live well into your 90s? It's more common than you think — and your plan needs to be ready for it.

Step 2

Navigate decumulation with help from a trusted resource

Essentially, there are two aspects to decumulation: **practical strategy** and **emotional readiness**.

The practical side includes decisions around:

- How much you can safely spend each year
- Which accounts to draw from and when
- When to claim Social Security
- How to plan for and manage taxes and healthcare costs

But the emotional readiness side of decumulation? That's often much harder.

After 30 or 40 years of saving, flipping the switch to spending can feel ... wrong. That's a sentiment shared by Stephen Kreider Yoder who — along with his wife Karen — writes the Retirement Rookies column for the Wall Street Journal.

The couple weighed in on their biggest surprises of retirement. Money was among them. "For four decades, we heeded advice to live below our means, make maximum 401(k) contributions, fund 529 college-savings plans; save, save and save still more," he wrote. "The abrupt turnabout to, 'OK, now spend it!' felt just plain wrong. Still does."¹

That's why working with a trusted financial professional is one of the best things you can do at this stage. Having an objective partner can help you confidently navigate both the money and math side of things, and the mindset side of things.

There's something incredibly reassuring about having someone who's been there before tell you that you're okay to cross the bridge!



Don't have a financial professional?

Start by checking if your employer provides access to a financial professional or ask a trusted friend, family member, or someone you know who's already retired — chances are, they've got a name for you.



¹ Stephen Kreider Yoder and Karen Kreider Yoder, "What has surprised us most about retirement," [wsj.com](https://www.wsj.com), February 12, 2026.

Step 3

Estimate what you'll spend — and how that may change

Any good plan starts with a good estimate. Thankfully, you already have a great starting point: Your current spending. It's likely your spending in early retirement could be very similar to the years approaching retirement.

Just keep in mind that your retirement spending may evolve over time. This is something that one prominent retirement industry expert, David Blanchett, refers to as the "Retirement Spending Smile."² In a nutshell, it reflects that retirement spending is often higher in the early years, dips in the middle years, and rises again in the later years, primarily due to healthcare and long-term care expenses.

To help you visualize, map out a year-by-year estimate across 30 years. Consider bucketing them in decades: years 1-10; years 11-20; years 21-30. A general spending framework is as follows:

- **Early years ("Go-go years"):** More expenses for things like traveling, experiences, visiting kids, grandkids, and friends, etc.
- **Middle years ("Slow-go years"):** Still traveling and experiencing, just in moderation.
- **Later years ("No-go years"):** Slowing down more; managing potentially greater healthcare costs and possible extended care needs.

As you're planning, also keep in mind:

- Taxes and how they may fluctuate based on your withdrawals, especially when you reach Required Minimum Distribution (RMD) age.
- Healthcare costs and the possibility of needing higher-cost care later in life.
- Lifestyle shifts — like helping a family member or relocating — that may increase your spending beyond what you had planned.
- Inflation and a plan to help maintain the purchasing power of your income over time.

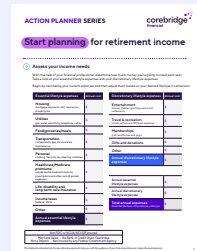
How might your living expenses change from work to retirement? It's very personal.

- **29%** of retirees say expenses have increased a little
- **20%** say expenses have decreased a little
- **21%** say expenses remain the same
- **30%** say they are either a lot more (14%) or a lot less (16%)



Want to get a clearer picture of what you're spending today?

This worksheet can help you calculate today's expenses and adjust them based on desired lifestyle in retirement.



[Download Income Planning Worksheet](#)

² David Blanchett, "Exploring the Retirement Consumption Puzzle," Journal of Financial Planning, May 2014.

Step 4

Know where your income will come from

If you're like most people, your income won't come from just one source. Rather, it will be more like a mosaic from across your lifetime of savings and investments. For example, your sources may include:

- Social Security
- Pensions
- Annuities
- Investment accounts
- Retirement accounts (e.g., 401(k), 403(b), IRA, etc.)
- Cash value accumulation from life insurance
- Real estate or home equity
- Part-time employment

After you identify what you have, the next step is to evaluate how each source behaves:

- Some income is predictable and guaranteed, meaning it arrives on a set schedule regardless of market conditions. (For example, your Social Security benefits or pension, if you have one.)
- Other sources are variable, which means they can fluctuate based on market performance or other factors. (For example, investment returns and dividends that can vary year to year depending on market conditions and interest rates.)

From there, you can organize your income into two categories:

- **Reliable (guaranteed):** Income you can count on month after month.
- **Variable (non-guaranteed):** Income that may rise, fall (or even disappear) over time.

So how do you start turning this picture into real numbers? Begin with the income you can count on — your guaranteed income. Once you know that floor, everything else gets easier to plan around.



Head to [SSA.gov](https://ssa.gov) to get an estimate of your monthly Social Security benefit.

If you're thinking about claiming early, take a look at how your benefit would change if you waited — the difference might surprise you.

Expecting guaranteed income from a pension, annuity, or another source?

Get in touch with whoever manages it — whether that's a former employer, an insurance company, or a plan administrator. Find out how much you can expect and what your options are for receiving it.

Step 5

Create a spending strategy aligned to your income sources

Once you understand exactly where your income will come from, the next step is deciding how to use it. (In other words, how to spend it in a way that works for you!)

A good starting point: **Consider using your reliable (guaranteed) income to cover as much of your essential expenses** as you can, including housing, food, healthcare, and insurance, so those needs are consistently met no matter what's happening in the markets or the economy. Social Security plays an important role for many retirees, not only because it provides lifetime income, but because its built-in cost-of-living adjustments are designed to keep pace with inflation over time in a way that many other income streams do not.

From there, **your variable (non-guaranteed income) sources — savings, investments, real estate, and other assets — can be positioned to support your discretionary expenses (wants)** and provide flexibility as your needs evolve.

That's the foundation. Now, how do you build on it?

You determine how you will draw income from your income sources. Common approaches include:

- **The 4% rule:** Withdraw 4% of your savings in year one, then adjust annually for inflation. It's a popular starting point, not a fixed rule — your actual number may look different depending on your situation and your financial professional's guidance, and it may need tweaking over time.
- **Bucket strategies:** Some retirees divide and invest their money based on short-, medium-, and long-term buckets, each designed for a different stage of your retirement. The goal is to balance access, growth, and stability.
- **Guaranteed lifetime income (GLI) strategies:** Use products like annuities to create income you can't outlive — think of it as rebuilding the actual paycheck you had during your working years.*

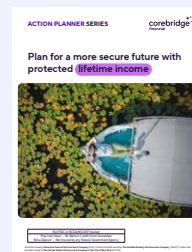
Each approach comes with its own set of considerations, particularly when it comes to balancing predictability, flexibility, and exposure to market risk, which is simply the possibility that your investments lose value when the market drops, which can really sting if you're withdrawing money from them at the same time.



Curious how guaranteed lifetime income could work for you?

Take a look at this helpful Retirement Income Action Planner:

[Download Action Planner](#)



*Annuity guarantees are backed by the claims-paying ability of the issuing insurance company. See back cover for additional information about annuities.

Understanding tax treatment of income sources

As you're charting your income course, keep in mind that not all dollars are created equal. Where you withdraw from matters just as much as how much you withdraw:

- **Taxable accounts** (e.g., brokerage accounts): Taxes are due on capital gains, dividends, and interest in the year in which they are received.
- **Tax-deferred accounts** (e.g., 401(k)s, 403(b)s, traditional IRAs, annuities*): Taxes are not due until withdrawn and the withdrawal is generally taxed as ordinary income in retirement.
- **Tax-free accounts** (e.g., Roth IRAs, Roth 401(k)s): Withdrawals may be exempt from federal, state and/or local taxes in retirement.

Each type of account is taxed differently when you withdraw — and the order you tap them in can make a real difference over time. By the way, if this feels like a lot to navigate on your own — it is. This is where a good financial professional can really make a difference.

One thing to keep on your radar:

Required Minimum Distributions (RMDs): Once you reach RMD age (currently 73, rising to 75 in 2033), the IRS requires you to start withdrawing from tax-deferred accounts — whether you need the money or not. That can affect your tax bracket, your Medicare premiums, and your overall withdrawal strategy. It's one more reason why the timing and sequence of your withdrawals matter.



*See back cover for additional information about annuities.

Step 6

Plan your Social Security strategy carefully

Social Security is the backbone of retirement income for many people. How (and importantly when) you claim it can have a profound impact on your long-term financial security. For most Americans, it replaces roughly 30% of pre-retirement income (more for lower earners, less for higher earners), making it one of the most important and most reliable sources of guaranteed income you'll have.³

But making the most of your Social Security isn't just about picking an age and filing for benefits. You need a thoughtful, coordinated strategy designed to increase lifetime benefits and provide greater financial stability over what could be 30 years or more in retirement.

Some key decisions and considerations include:

- **When to claim:** Waiting past your Full Retirement Age — age 67 if you were born in 1960 or later — can increase your benefit each year up to age 70. But claiming early, say at 62, can reduce it by up to 30%.
- **Understanding spousal benefits:** Coordinating with your spouse on who should take benefits first based on income level can help maximize total household income over time.
- **Survivor benefits:** The higher earner's benefit can continue for the surviving spouse, making the claiming decision especially important for long-term protection. (When a spouse passes away, the surviving partner can step up to get as much as 100% of that benefit — receiving the higher of the two checks, not both.)
- **Cost-of-living adjustments (COLA):** Social Security is one of the few income sources that adjusts annually for inflation — adjustments intended to help preserve your purchasing power over time.



Want to dig deeper into your Social Security options?

This article on Social Security timing can help you think through key questions.

[View Social Security timing article](#)

Once you've developed a strategy for claiming Social Security, you can estimate how much of your essential expenses your benefit will cover. That clarity will give you a baseline of dependable, inflation-adjusted income you can count on for life, which can help you build the rest of your retirement income plan with confidence.

³ ssa.gov, Social Security Fact Sheet, 2025 (<https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>).

Step 7

Protect your income for the long run

The strongest retirement funding strategies account for the expected – and the unexpected. And in retirement, there is no shortage of unknowns:

- **Longevity risk:** The risk of outliving your money and not knowing how long you'll need it to last.
- **Inflation:** Prices rise and costs increase – and you want your income to keep pace.
- **Market risk:** A stock market downturn can be stressful at any time, but it can be especially challenging when you're taking retirement income from a portfolio that may not have time to recover.
- **Healthcare expenses:** Costs can rise, especially if you or a loved one face an unexpected medical issue.
- **Unexpected costs:** Surprise expenses, such as home repairs and family emergencies, because retirement doesn't eliminate the unexpected.

These are the forces that can quietly (and sometimes quickly) derail your strategy. And just the possibility of them can shape how people spend – in the Corebridge survey, one in four retirees said the worries about inflation and future healthcare costs caused them to spend less than they want to, to a major extent.

Further, with only 26% of retirees saying they are comfortable with their balances declining in retirement to pay for living expenses – and 38% spending less just to preserve their nest eggs – guaranteed lifetime income deserves a closer look. Whether it's from Social Security, pensions, or annuities, guaranteed lifetime income can help address several of the risks we just covered – all at once. We'll explore how next in the annuity primer.



An annuity primer

If you're not familiar with annuities, here are the basics: an annuity is a contract with an insurance company that can turn a portion of your savings into a stream of guaranteed income for life — often through regular withdrawals, while still allowing access to your money.*

So, what can guaranteed lifetime income actually do for you?

- It can help protect against longevity risk because the income continues no matter how long you live.*
- It can help manage market risk because your guaranteed income keeps coming — regardless of what the market is doing.*
- And it can ease the emotional weight of spending down your savings, because you know there's income you can count on.*

Think of it as rebuilding the paycheck you had during your working years — income that keeps coming, no matter what. Of course, no retirement strategy — no matter how good — completely eliminates risk. But when we anchor our plan with guaranteed lifetime income, we can manage risk in a way that allows us to spend with confidence, and gives us permission to fully enjoy what we've worked so hard to build.



Wondering if an annuity could be a good fit for your plan?

A financial professional can help you figure out how much guaranteed lifetime income you might need — and where it fits alongside what you already have.

Protecting more than your income

While guaranteed lifetime income helps address many of the big risks, there's one area that deserves its own attention: healthcare. Costs can rise sharply and unexpectedly — and it remains one of the primary concerns that keep retirees from spending freely. Having the right protection in place can help ease that worry.



Concerned about potential care costs down the road?

Ask your financial professional about protection options — like long-term care insurance, life insurance, or hybrid products — that can help guard against unexpected healthcare and other care costs.

*Annuity guarantees are backed by the claims-paying ability of the issuing insurance company. See back cover for additional information about annuities.

Step 8

Bring it all together — and live fully

By now, you've got the building blocks: you know where your income is coming from, how to protect it, and how guaranteed lifetime income can help cover your essentials and create the kind of steady paycheck that makes spending feel more comfortable.

But here's one more thing to keep in mind: your money still needs room to grow, because inflation doesn't retire when you do.

That's why the goal isn't to convert everything into income. You may still want and need room in your portfolio for growth and flexibility — so your plan can keep up with your life.

Once your core expenses are reliably covered, everything else shifts:

- When the rest of your portfolio is no longer responsible for covering your everyday expenses, you can view it as a source of opportunity — with more room to pursue growth.
- It can be invested with a longer time horizon, allowing you to ride out periods of market volatility rather than having to worry about drawing down your accounts when the markets are down.
- And you can truly enjoy those retirement experiences you've been looking forward to — traveling, spending time with family — rather than having to worry that you're sacrificing money that is “needed” elsewhere.

And that last one — truly enjoying what you've worked so hard for — is a big one. According to the Corebridge survey, **75% of retirees say having more guaranteed lifetime income would make them feel more secure, and 69% say they would spend more on travel** — with many also saying they'd spend more on dining out, entertainment, and personal wellness, if they knew that income would keep coming.

And it's not just Corebridge's research. LIMRA's Retirement Income Institute, a leading retirement industry research organization, found something striking: Retirees holding a greater share of their savings in guaranteed income spend more each year than retirees who hold more of their savings in investments.⁴ In other words, when people know the money will keep coming, they actually let themselves enjoy it.



⁴ David Blanchett and Michael Finke, “Guaranteed Income: A License to Spend,” Alliance for Lifetime Income – Retirement Income Institute, May 2024.

The payoff

The goal isn't simply to make your money last — it's to make your money work for the life you actually want to live. To truly enjoy your time and your money. And if you've followed along this far — you're well on your way.

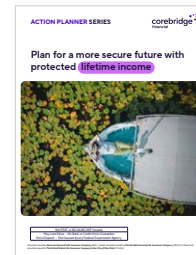
Once you've covered your essentials and you've got a plan to help manage risk, you can finally shift your focus: from uncertainty to confidence — and toward a retirement that's truly yours to enjoy.



Take action for your retirement today.

We introduced the Retirement Income Action Planner earlier. Now that you've started thinking more about your income sources and your spending, it's the right moment to come back to it and put it all into action.

[Download Action Planner](#)



And if you haven't already, consider connecting with a financial professional.

They can help you bring it all together — and plan with confidence for the long run.

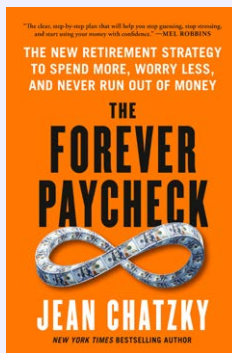




About the author:

Jean Chatzky

Jean Chatzky is the founder and CEO of [HerMoney](#) and the host of “[HerMoney with Jean Chatzky](#).” Jean is a columnist for AARP, a coach on the PBS TV show [Opportunity Knocks](#), and a research fellow with the LIMRA Retirement Income Institute. Previously, she spent 25 years as the Financial Editor on NBC’s Today Show and was a contributor to Oprah.



Jean is an award-winning journalist and broadcaster, a New York Times and Wall Street Journal best-selling author, and a fierce advocate for financial literacy. Her next book, *The Forever Paycheck: The New Retirement Strategy to Spend More, Worry Less and Never Run Out Of Money*, will be published by Avery in September 2026. Find her at [HerMoney.com](#) or @JeanChatzky everywhere.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with a financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Additional information about annuities:

Annuities are long-term products designed for retirement. In the growth stage, they can help you build assets on a tax-deferred basis. In the income stage, they can provide you with guaranteed income. Annuities offer guaranteed income payments for life at no additional cost through annuitization. Alternatively, some annuities offer lifetime income through standard or optional income benefits available for an additional fee. Other restrictions and limitations apply. There is no assurance that income from an annuity will keep pace with inflation. Early withdrawals may be subject to withdrawal charges. Partial withdrawals may reduce benefits available under the contract, as well as the amount available upon a full surrender. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. An investment in a variable annuity or registered index-linked annuity is subject to risk, including possible loss of principal. The contract, when surrendered, may be worth more or less than the investment amount. Retirement accounts, such as IRAs, can be tax-deferred regardless of whether or not they are funded with an annuity. The purchase of an annuity within a retirement account does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits. Guarantees are backed by the claims-paying ability of the issuing insurance company.

Annuities and life insurance issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life). Certain annuities issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX. Issuing companies AGL, US Life and VALIC are responsible for financial obligations of insurance products. AGL and VALIC do not solicit, issue or deliver policies or contracts in the state of New York. Beginning January 1, 2026, US Life will be Corebridge Financial's sole authorized issuer of new annuities in New York. Products and services may not be available in all states and product features may vary by state. Please refer to the contract.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc. Corebridge Financial and Corebridge are marketing names used by these companies.

Corebridge Financial is not affiliated with Jean Chatzky or HerMoney.

©2026 Corebridge Financial, Inc. All rights reserved.

corebridgefinancial.com

Not FDIC or NCUA/NCUSIF Insured
May Lose Value • No Bank or Credit Union Guarantee Not a Deposit • Not Insured by any Federal Government Agency

