

The Cost of Playing it Safe

Don't save your life for later

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When people think about risk, they usually think about losing what they already have.

Markets go down.

Your portfolio drops.

That kind of risk is visible.

It's real, and it's worth paying attention to.

But there's another kind of risk that's much harder to spot.

It's the risk of not living the life you could have lived because you played it too safe.

I see it more often than you might think.

It's the client sitting on several hundred thousand dollars in cash because the market feels scary, while inflation quietly chips away at their purchasing power year after year.

It's the client who could comfortably spend \$20,000 a month in retirement but limits themselves to \$7,000 or \$8,000 because they're afraid of what might happen down the road.

It's the client who keeps working another year, and then another, long past the point where they need to.

Or conversely, it's the client who is so conservative with their investments that their money can't keep pace with the life they want to live.

It's the client who wants nothing more than to provide for their children and not become a burden, but they're so anxious about their own estate planning that they avoid the conversation entirely, which works directly against the very thing they want most.

You've probably seen this in your own life.

We all know someone, or know of someone, who saved and sacrificed for decades only to face a major health issue just a few years into retirement.

Or worse, they never made it to retirement at all.

And the research backs this up.

Bill Perkins, author of *Die With Zero*, found that retirees with \$500,000 or more in savings spent down only about 12% of their money before they passed away.

That means 88% went unspent.

One-third of retirees actually increased their wealth during retirement.

A lot's been written about this:

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- ["The strange psychology of retirement income: Why spending money feels riskier after years of saving"](#)
- ["Are You Being Too Frugal in Retirement?"](#)
- ["Half of Retirees Afraid to Use Savings"](#)
- ["Underspending in Retirement: A Sign of Fulfillment or Fear?"](#)
- ["The Psychology of Retirement Income: From Saving to Spending"](#)

The bottom line: After spending an entire career learning how to save, many people simply can't make the switch to spending.

The saving mindset that served them so well for 30 or 40 or more years becomes the very thing that holds them back from enjoying the life they worked so hard to build.

Here's what I want you to hear.

You can absolutely be too risky with your money.

But you can also be too conservative.

And the cost of being too conservative doesn't show up on a statement.

It shows up years later as regrets As a life that felt smaller than it needed to be.

We each get one shot at life.

While we can't live only for today with no thought for tomorrow, we also shouldn't be so

focused on preparing for the next 20 or 30 years that we sacrifice the life we could be living right now.

Good financial planning is about striking a health balance.

It's about living a wonderful life today, and each day along your journey, while still having comfort and confidence you'll be OK whatever the future may bring.

Think of it like a weather forecast.

You're never going to have perfect, clairvoyant information about what's ahead. But you can look at the best information available, make a thoughtful decision, pack a jacket (or an umbrella), and still go on the trip.

That's what a personalized financial plan gives you.

Not certainty, but clarity.

A framework for making confident, comfortable decisions even when the future is uncertain.

What to do next

If you don't already have a personal financial or retirement plan in place, that's the single most important step.

A good plan accounts for the full picture of your financial life:

- What you own and what you owe
- Your income sources, both now and in the future
- Your desired lifestyle, with enough flexibility to accommodate life's changes along the way

From this foundation, you can start to review and evaluate everything else with better context:

- Your savings and cash on hand
- Any loans, whether that's a mortgage, car loan, or something else
- Your investments and whether they're aligned with your actual needs
- Your future income plan, including Social Security, a pension, or other sources

When you know what's coming in and what's going out, within your own retirement

guardrails, you have a decision-making tool that adapts as the market, the economy, and your life change.

I've written before about this tension between living rich and dying rich, and about how retirement guardrails keep you in your comfort zone, free from the fear of running out but also free from the regret of never spending what you saved.

And I've shared why I believe financial planning is ultimately about regret minimization, making sure you don't look back and wish you had lived more fully when you had the chance.

Bottom line: your money is meant to fuel a life well lived.
Not to sit untouched while life passes by.

If you're not sure whether you're being too conservative or maybe even too risky, please contact your financial advisor to start this conversation.

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