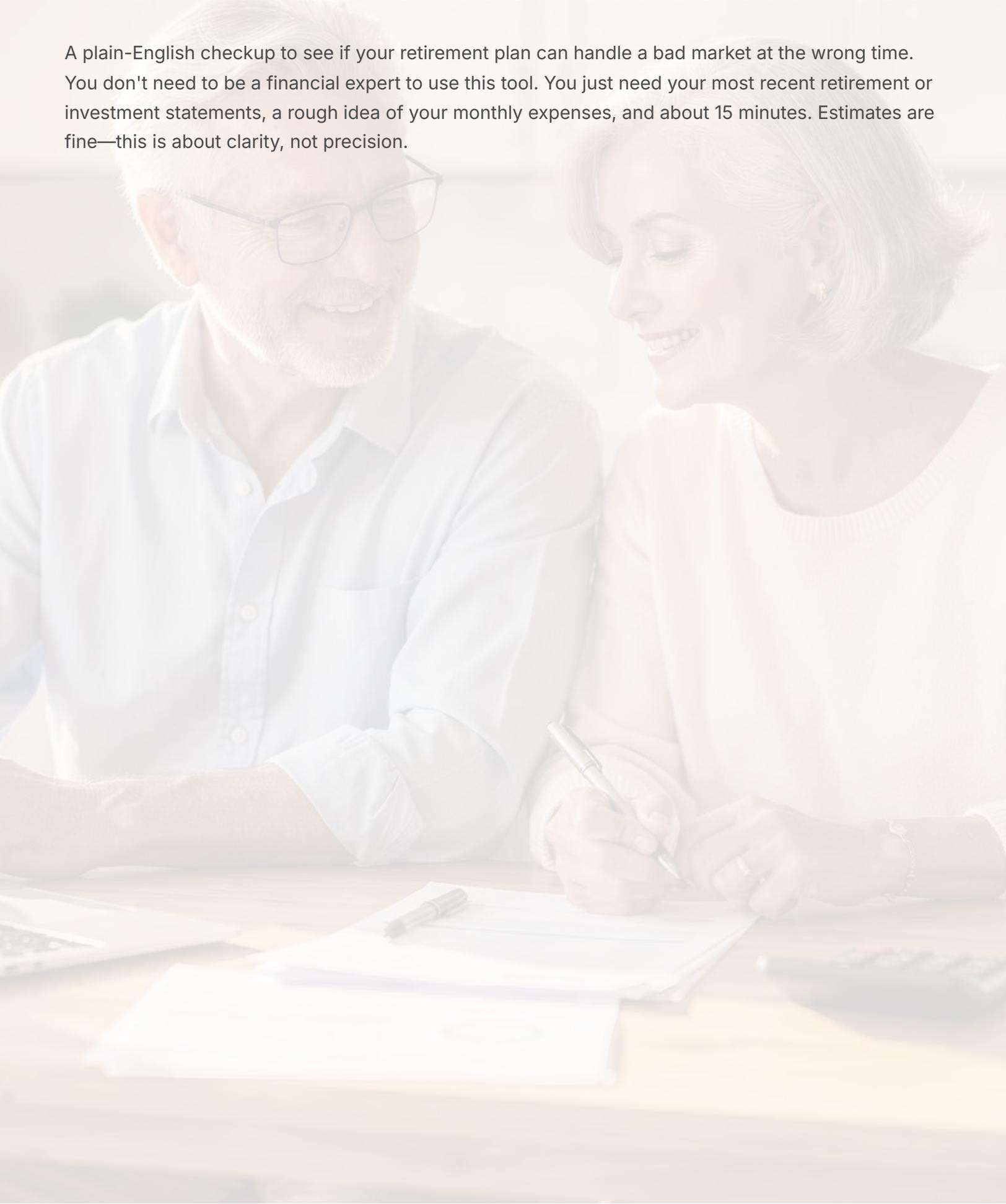


# The Retirement Readiness Stress Test

A plain-English checkup to see if your retirement plan can handle a bad market at the wrong time. You don't need to be a financial expert to use this tool. You just need your most recent retirement or investment statements, a rough idea of your monthly expenses, and about 15 minutes. Estimates are fine—this is about clarity, not precision.



# Why This Stress Test Exists

Most people plan retirement based on how much money they've saved. But that's only part of the story. This stress test looks at something more important: what happens if markets drop at the wrong time—right when you need income?

That timing risk is what quietly derails otherwise "good" retirement plans. A 30% market drop in your thirties is recoverable. The same drop at age 67, just as you start withdrawals, can permanently alter your financial future. This isn't about market predictions—it's about making sure your plan is built to survive real-world scenarios.

The questions ahead will help you understand whether your retirement income strategy can withstand a bad sequence of returns. You'll identify potential vulnerabilities before they become problems, and gain clarity on what adjustments might protect you when timing matters most.

## What You'll Discover

- Whether you have enough safe money set aside
- If you're at risk of forced selling during downturns
- How concentrated your portfolio really is
- Whether your income can survive inflation
- If you have a plan—or just hope

# Section 1: Timing & Income Pressure

This section helps you understand when you need money—not just how much you have. The timing of your withdrawals relative to market performance can make or break a retirement plan.

1

## Your Current Age

Write down your age today. This establishes your timeline and how many years you have until retirement income begins.

Your answer:

2

## Planned Retirement Age

The age when your paycheck stops or drops meaningfully. Use the age when you'll rely primarily on savings and Social Security.

Your answer:

3

## Annual Income Needed from Savings

Calculate your monthly spending, subtract reliable income like Social Security or pensions, then multiply the remainder by 12. Do not include Social Security in this number.

Your answer:

## Example Calculation

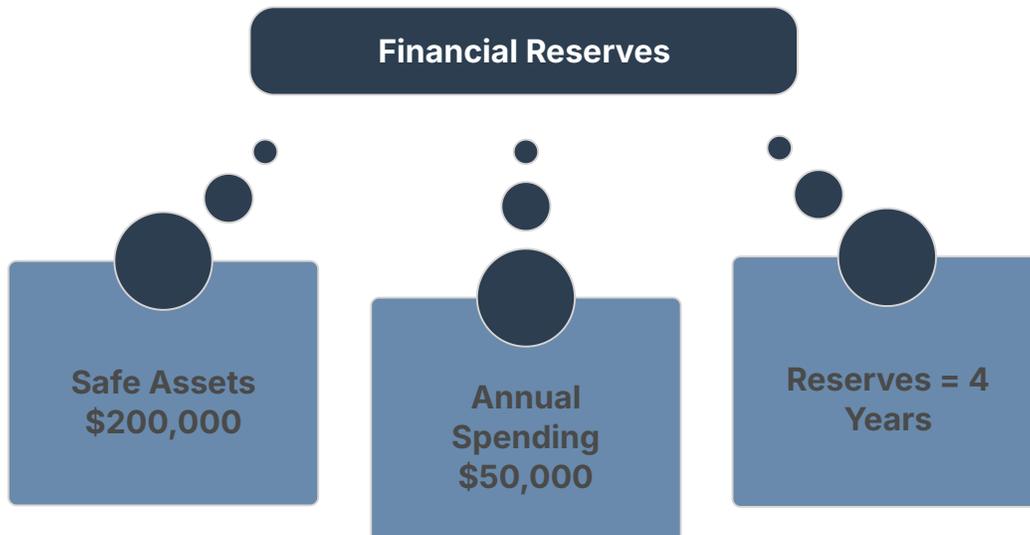
Monthly spending: \$6,000 | Social Security: \$3,000 | Needed from savings:  $\$3,000 \times 12 = \$36,000$  per year

# The Cash Reserve Question

## How Many Years of Living Expenses Do You Have in Safe Investments?

This is one of the most critical questions in retirement planning. Safe money includes cash, CDs, Treasury bills, and money market funds—not stocks or stock funds, even conservative ones.

To calculate: Add up money in cash-type accounts, then divide by your annual spending. For example, \$200,000 in safe assets divided by \$50,000 annual spending equals four years of reserves.



### Circle Your Answer:

<input type="radio"/> Less than 1 year	<input type="radio"/> 1–2 years
<input type="radio"/> 3–5 years	<input type="radio"/> More than 5 years

Without safe money set aside, a market drop can force you to sell investments at the worst possible time. This is how sequence-of-returns risk destroys retirement plans.

# Section 2: Market Exposure & Concentration

This section reveals how much risk you may be taking—even if you didn't choose it intentionally. Many retirees discover they're more exposed to market volatility than they realized, often because their portfolios evolved without conscious adjustment over time.

1

## Portfolio Allocation

Estimate your current mix: stocks/stock funds, bonds/bond funds, cash/CDs/Treasuries, and other assets like real estate or annuities. **Totals should add to roughly 100%. Look for a pie chart or "asset allocation" section on your statement.**

Your answer:

2

## Concentration Risk

Do a few large companies—Apple, Microsoft, Nvidia, Amazon, Tesla—make up a big portion of your portfolio? **Check your top 10 holdings. If you see the same tech names repeatedly, or if most money is in an S&P 500 fund, concentration is likely.**

Your answer:

3

## Forced Selling Risk

If markets dropped 25–30% in the next two years, would you need to sell investments to pay bills? **Ask yourself: where would my next year of income come from? If the answer is "selling investments," you're exposed to sequence risk.**

Your answer:

---

Fund names with words like "growth," "equity," or "index" usually mean stocks. Words like "bond," "income," or "fixed" usually mean bonds. If you don't know your allocation, write "Not sure".

# Section 3: Income Reliability

This section focuses on dependable income streams—not market growth or appreciation. Reliable income is what allows you to weather market storms without panic or forced decisions.

1

## Monthly Investment Income

How much monthly income do your investments produce today, excluding Social Security? Count bond interest, dividends, rental income, and pension payments. Do not count selling investments or market appreciation.

Your answer:

This number reveals whether your portfolio generates natural cash flow or whether you're dependent on liquidating assets to fund living expenses—a critical distinction during market downturns.

2

## Income Stability

Does this income continue even when markets are down?

Your answer:

Income from bonds or dividends is usually more stable. Income that requires selling investments depends entirely on market timing and can evaporate precisely when you need it most. The goal is income that doesn't force you to sell stocks at depressed prices.

# Section 4: Inflation & Rising Costs

This section tests how your plan handles higher prices over time. Inflation is the silent threat that erodes purchasing power year after year, and recent history has reminded us it can accelerate unexpectedly.

1

## Income Adjustment

If inflation rose to 5–7% for several years, would your income rise too? Does your income automatically adjust, or do your expenses climb while income stays flat?

Your answer:

2

## Inflation Protection Assets

Do you own assets designed to help during inflation? Examples include Treasury Inflation-Protected Securities (TIPS), real estate, or commodities tied to rising prices.

Your answer:

3

## Long-Term Impact

How confident are you that your income will keep pace with rising costs over 20-30 years?

Your answer:

Even moderate 3% inflation cuts purchasing power in half over 24 years. Higher inflation compounds the damage faster, making protection essential for multi-decade retirements.

Social Security includes cost-of-living adjustments, but most other retirement income sources don't automatically rise with prices. If you're unsure whether you have inflation protection, check "Not sure"—that's important information for planning purposes.

# Section 5: Flexibility & Control

This section examines whether you're reacting to markets—or following a predetermined plan.

1

## Withdrawal Strategy

If markets dropped tomorrow, do you know exactly which money you'd use first?

Your answer:

Having a strategy means knowing exactly which money you'll use first during different market conditions. If you can't answer this question quickly and confidently, the answer is usually 'Not really.' That uncertainty creates emotional decision-making during the worst possible moments.

2

## Rebalancing Discipline

Do you rebalance your portfolio using rules—trimming assets that grow too large and adding to assets that fall behind—or do you react to headlines and fear?

Your answer:

Rules-based rebalancing forces you to buy low and sell high, the opposite of emotional investing.

# Your Results

Review the following risk factors and check all that apply to your situation. Each checked item represents a potential vulnerability in your retirement plan.



## Less than 3 years of safe cash

Insufficient reserves to weather extended market downturns without forced selling



## Forced selling risk

No clear source of income during market drops, requiring liquidation at worst times



## Heavy stock concentration

Portfolio dominated by few large companies or sectors, magnifying volatility



## Income depends on selling

No stable income streams, entirely reliant on asset liquidation for cash flow



## No inflation protection

Income and assets vulnerable to purchasing power erosion over time



## No clear rebalancing rules

Portfolio management driven by emotion or market headlines instead of discipline

# 0-1

## Lower Stress Exposure

Your plan shows solid fundamentals with minimal sequence-of-returns vulnerability

# 2-3

## Moderate Risk

Adjustments needed to strengthen resilience against timing-related market shocks

# 4+

## Higher Risk

Timing matters more than returns—your plan needs structural changes for durability

# About Langan Financial Group

Langan Financial Group is a family-owned financial planning firm that works with individuals and couples approaching or in retirement. We help clients answer one essential question: Will my money still work if the timing goes against me?

Our planning focuses on retirement income strategies, managing sequence-of-returns risk, portfolio structure and diversification, tax-aware withdrawal planning, and building confidence through market stress. We don't chase headlines or predictions. We focus on durability, clarity, and long-term confidence.



## Optional Next Step

Request a Retirement Stress Review where this test is applied to your actual holdings, today's interest rates, real historical downturns, and your specific timeline.

**Call 717-288-1880 or email us at [Devin@LanganFinancial.com](mailto:Devin@LanganFinancial.com)**

- Important Disclosure:** This Retirement Readiness Stress Test is provided for educational and informational purposes only. The information is not intended as tax, financial, or legal advice. Please consult legal, financial, or tax professionals for specific information regarding your individual situation. Investing involves risk, including the potential loss of principal. Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Langan Financial Group, LLC are not affiliated.