Retirement Blueprint
Episode 9

What You Need to Know Before Claiming Social Security

Transcript

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Most people think about Social Security as a standalone government check.

But the truth is—it's far more powerful.

Social Security isn't just income. It's the missing link that can make every other part of your retirement plan stronger, safer, and more coordinated.

When you claim—and how you claim—impacts your taxes, your investments, your spending, and your long-term security.

Most retirees make this decision in isolation, as if it exists in its own little box on a checklist.

But retirement shouldn't be a list of disconnected tasks—claiming benefits, starting withdrawals, rebalancing portfolios.

Real success happens when those decisions talk to each other.

If you start benefits at 62, you reduce short-term pressure on your investments—but you lock in a smaller check for life.

Or you can wait until 70 and secure a lifetime raise you can't outlive.

I often tell clients to picture their income sources like an orchestra.

Your investments are the strings—dynamic, emotional, sometimes unpredictable.

Your pension or rental income is the brass—bold, structured, and powerful.

And Social Security—that's the percussion.

Steady. Rhythmic. Setting the tempo for everything else.

When the percussion is timed correctly, the entire financial ensemble plays in harmony.

And this integration always starts with one deceptively simple question:

What percentage of your retirement income do you want guaranteed for life?

Once you know that, you can design everything else around it.

But integration becomes real—not theoretical—when you see it play out in someone's life.

That's what we saw with Mike and Laura.

They were both 63 when they walked into my office.

Solid savers. No debt. A dream to travel six months a year.

Their question was simple:

Do we claim Social Security now—or wait?

Mike worried that delaying meant draining their portfolio in a shaky market.

Laura worried that claiming now meant missing out on the growth they'd earn by waiting.

To resolve that tension, I introduced what I call the "bridge strategy."

This means using cash reserves or conservative investments to bridge the income gap between early retirement and delayed Social Security.

For them, that meant setting aside four years of expenses—about $250,000—in short-term bonds and high-yield savings.

They retired at 63, lived off the bridge until 67, and let their benefits grow.

The result?

Their combined Social Security income increased by nearly $9,000 per year—for life.

Over two decades, that's more than $180,000 of additional guaranteed income.

And their portfolio was preserved through early retirement market volatility.

Two years after retiring, I received a photo from Santorini.

The note said: "The bridge was worth building."

And it was.

Because it didn't just increase their income—it increased their confidence.

Here's the hidden gem:

Integrating Social Security makes everything else easier—especially when you organize your money into what I call the three buckets.

Bucket #1: Safety and income
Cash, CDs, short-term bonds—and yes, Social Security.
This protects your lifestyle from market swings.

Bucket #2: Growth
Equities, diversified funds, and possibly real estate.
This fuels the next 10 to 20 years.

Bucket #3: Legacy and flexibility
Roth accounts, trusts, charitable giving, and future opportunities.

When Social Security becomes the heartbeat of bucket #1, something powerful happens.

You invest in bucket #2 with clarity instead of fear.

You stop asking, "What if the market drops?"

Because part of your income is guaranteed and timed.

You can take the right amount of risk—without letting emotions take over.

But there's one more layer you can't ignore:

Taxes.

Withdraw from a Traditional IRA? Taxable.
Withdraw from a Roth account? Possibly tax-free.
Sell investments with capital gains? Partially taxable.

And all of this matters because your other income can cause up to 85% of your Social Security to be taxable.

That's why the sequence of withdrawals is so important.

Sometimes the smartest strategy is to draw from taxable accounts first, delay Social Security, and complete Roth conversions during lower-income years.

Other times—especially after strong market performance—the sequence may shift.

Here's the golden rule:

Look at your tax plan before you claim—not after.

But beyond the numbers, there's a deeper benefit to integration:

Emotional resilience.

When your core expenses are covered by guaranteed income—and you know your housing, groceries, and healthcare are secure—you don't panic when the market drops.

You don't sell low.

You sleep better.

I call this the "sleep well factor."

Because money doesn't just fund your life—it protects your peace of mind.

And that's the heart of a coordinated retirement plan.

Social Security gives you a guaranteed base.

Your investments give you growth.

Your tax strategy gives you efficiency.

When those three pillars work together, retirement stops being uncertain—and becomes intentional.

Every decision—when to claim, how to invest, when to rebalance, and how to withdraw income—feeds into one clear goal:

Owning your time.

And that is the ultimate measure of wealth.

Not the size of your account—but the freedom it gives you to live life on your terms.

So as you think about Social Security, don't treat it like a separate topic.

Make it the foundation of a bigger system—one that supports your purpose, your family, and your future.

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