



MANAGING BUDGETS, WITHDRAWALS AND GOALS IN RETIREMENT

Retirement Spending for High-Net-Worth Families: A Framework for Planning Ahead

For families with significant assets, retirement planning shifts from accumulating wealth to using it well. The goal is to fund the experiences that matter most, such as travel, time with family, and support for children and grandchildren. So how do you find balance between maintaining your lifestyle, protecting the legacy you want to leave and spending sustainably?

Build a Spending Plan Around Your Goals

A useful starting point is to separate spending into three categories: core expenses (housing, health care, insurance, everyday living), discretionary spending (travel, hobbies, second homes) and legacy spending (gifts to family and charitable giving). This shows which expenses need a reliable funding source and which can adapt to your portfolio's performance. Your RWA team can work with you to define and prioritize these goals so your plan reflects the retirement you want.

Many retirees spend more on travel and activities in their first decade of retirement and less in later years and then they shift to spending more on health care with age. Consider a plan that allows for higher discretionary spending early, while you're most able to enjoy it.

Plan for a Long Retirement

A couple in their mid-60s today has a meaningful chance of at least one spouse living into their 90s. Planning to age 95 or beyond offers a margin of safety and flexibility. Rather than relying on a fixed withdrawal rate, families may benefit from an adaptive approach that sets spending ranges and adjusts withdrawals modestly in response to portfolio performance. This can support higher spending in strong markets while protecting the portfolio during downturns.

Match the Portfolio to Your Time Horizons

Holding one to two years of planned spending in cash or short-term reserves helps you avoid selling long-term investments during market declines. An allocation to high-quality bonds may help cover spending needs over the next several years, while growth-oriented investments fund later decades and legacy goals.

Liquidity deserves particular attention for complex portfolios. Private equity, real estate, concentrated stock positions and business interests can be valuable but difficult to access quickly. Your RWA team can help catalog your assets and accounts, including those held at other institutions, so you know where your funds will come from in any given year and can work to avoid forced sales at unfavorable times.

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Manage Taxes on Withdrawals

The order in which you draw from taxable, tax-deferred and tax-free accounts can affect how long your assets last. A few strategies to consider:

- **Roth conversions** during lower-income years can reduce future taxable income and create tax-free assets for heirs. Lower-income years usually fall between retirement and the start of required minimum distributions (which begin between ages 73 and 75, depending on birth year).
- **Asset location**—holding less tax-efficient investments in tax-deferred accounts and more tax-efficient ones in taxable accounts—can improve after-tax returns.
- **Tax-loss harvesting** can offset gains realized to fund spending or rebalance.

And don't forget that tax planning extends beyond your own lifetime and can impact your legacy. For example, instead of liquidating highly appreciated assets to fund spending, it may make sense to pass them on to your heirs since they will typically receive a step-up in cost basis that eliminates the embedded capital gain.

Your RWA team can collaborate with you and your tax professionals on asset placement and withdrawal sequencing so investment and tax decisions support each other.

Support Younger Generations

In addition to passing on an inheritance, many people want to help their children and grandchildren while they can see the impact and can enjoy shared experiences. In 2026, you can give up to \$19,000 per recipient without counting against your lifetime gift tax exemption, and married couples can give twice that. Payments made directly to schools for tuition or to providers for medical expenses don't count toward that limit, either. Contributions to 529 plans can be front-loaded with five years of annual exclusion gifts at once.

For larger gifts, or when you want to provide structure, trusts can set terms for how and when assets are used.

Giving while you're living lets you see the effect of your support and creates the opportunity to talk with family about your values and intentions.

Coordinate Your Estate Plan

The federal estate and gift tax exemption is \$15 million per person in 2026, and this amount will be adjusted for inflation in future years. For wealthy families, estate planning can help you manage around this limit while accommodating for other goals beyond tax reduction, such as privacy, protecting beneficiaries and avoiding probate. And note that several states impose their own estate or inheritance taxes at lower thresholds.

Revocable living trusts, irrevocable trusts, spousal lifetime access trusts, and life insurance trusts can each play a role depending on your circumstances. Beneficiary designations on retirement accounts and insurance policies should be reviewed regularly, since they override your will. Powers of attorney and health care directives are equally important.

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Make Charitable Giving Part of the Plan

Charitable giving can support causes you care about while reducing taxes. Instead of giving cash, consider donating appreciated securities held more than one year. That way, you can avoid capital gains tax on qualified gifts and potentially receive a deduction for the full market value. After age 70 ½, qualified charitable distributions allow you to give directly from an IRA; these gifts count toward required minimum distributions and are excluded from taxable income.

Donor-advised funds let you make a large contribution in a single year (which can be useful in a high-income year) and then recommend grants over time. Charitable remainder trusts can provide an income stream for life and then direct the remaining assets to charity.

Beginning in 2026, itemizers can deduct only giving above 0.5% of AGI, and top-bracket taxpayers receive a maximum benefit of 35 cents per dollar donated, which makes timing and structure worth reviewing with your advisor.

And as we've noted in past articles, podcasts and videos, [involving children or grandchildren](#) in [charitable decisions](#) can also help pass on [family values](#).

Schedule Periodic Plan Reviews

Markets, tax laws, health and family circumstances all change. The goal of coordinated planning is to be able to spend with confidence on what matters most while preserving the resources to support your family and the causes you care about. Periodically evaluating spending, withdrawal strategy, estate documents and giving plans with your RWA team can help keep everything aligned—contact us to schedule your next review.

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