



## Retirement by the numbers

### Savings stats

The IRS increased savings limits on 401k/403b accounts to \$18,500 (or \$24,500 if 50 and older). Traditional and Roth IRA contribution limits remain at \$5,500 (or \$6,500 if 50 and older).

### Staying connected

Statistics show that social isolation's negative effect on health is the equivalent of smoking 15 cigarettes a day. To improve your sense of well-being, consider volunteering or charitable giving. Studies tell us that there are beneficial effects of volunteering, including an enriched sense of purpose in life, lower rates of depression, and a greater ability to cope with stress. Volunteering is frequently a group activity, strengthening social and community ties.

### Feeling entrepreneurial in retirement?

You're not alone! In Maine, 25-35% of prospective entrepreneurs who seek SCORE mentoring for start-up business advice are over 50 years old.

### Stay on track

Working with an advisor makes a difference. John Hancock's 2015 Financial Stress Survey found that 70% of those who work with a financial advisor are on track or ahead in saving for retirement, versus 33% of those not working with a financial advisor.

## Financial Planning and Retirement: A Road Map to the Future

At Camden National Wealth Management, we work with clients on a variety of topics, and a very common one is retirement. We're often told: "For years, retirement seemed to be in the far distance. Suddenly that date is fast approaching. Now what?"

We embrace the idea of "longevity planning," which MIT's AgeLab uses instead of "retirement planning." Longevity planning enables us to take a more holistic approach than traditional retirement planning to help clients wrestle with a wide range of questions, such as:

- Have I saved enough for retirement? For supporting children and grandchildren? For making a significant charitable gift?
- What is an appropriate withdrawal rate? When should I tap into Social Security?

Our approach addresses both the financial questions clients face in retirement along with the broader lifestyle questions that have a direct impact on the full retirement experience: How am I going to spend my time? Should I volunteer or work part-time? What if my partner passes? How will I cope emotionally?

By exploring these kinds of topics, we help clients set a retirement strategy, which we revisit with them on a regular basis. Throughout the longevity planning process, we help you create a financial plan that lays out the big picture, identifies your risk tolerance and guides decision making to support your goals. Our customized strategy informs our work with clients and ultimately how we invest the funds entrusted to us. As fiduciaries, our focus is on putting your needs, objectives and priorities first.

Longevity planning answers a broad range of retirement questions, such as: What's an appropriate withdrawal rate? How do I want to spend my time?

## Our Unique Approach

Volatility is a fundamental component of the stock market. Although nerve-racking, the fact remains that when investing for the long term (which may be a period of 10-30 years), the growth offered by equity exposure helps mitigate the negative effect of inflation on your buying power. This becomes especially important in retirement.

Our team focuses on applying our deep knowledge of the markets and its various indicators to each client's goals and risk tolerance. By conducting market research and working locally with clients on investment decisions, we're able to take a measured, long-term approach that emphasizes effective downside risk management.

A broad range of economic indicators (see chart below) influences which equities and fixed income instruments we purchase. We also look at U.S. GDP growth and the unemployment rate as fundamental indicators of economic health, supplemented by additional statistics, such as the labor force participation rate and the consumer price index (CPI). CPI is the most widely followed indicator of inflation, and it is considered in conjunction with statistics such as the personal consumption expenditures (PCE) index and Core PCE (PCE excluding food and energy), which the Federal Reserve uses when debating interest rate policymaking.

## How We're Making Sense of Today's Markets

Today's market conditions are mixed. While we have historically low unemployment (last report was 3.9%) and strong corporate earnings, many of which are beating market estimates, geopolitical uncertainty, stagnant wages and a rising interest rate environment are significant headwinds. In addition, as of May 2018, the 10-year Treasury exceeded 3.0% yield, a psychologically important milestone.

The rise in short-term rates – a direct result of the Federal Reserve's interest rate hikes – and a less pronounced increase in intermediate and long-term rates has led to a flatter yield curve, raising concerns that the Federal Reserve may be acting too aggressively. We are monitoring the situation closely and will make tactical decisions to portfolios accordingly.

Economic Growth & Inflation Indicators						
	Q3 2017 (actual)	Q4 2017 (actual)	Q1 2018 (actual)	Q2 2018 (forecast)	Q3 2018 (forecast)	Q4 2018 (forecast)
GDP, QoQ	3.2%	2.9%	2.3%	2.8%	2.1%	1.8%
Unemployment Rate	4.3%	4.1%	4.1%	3.9%	3.8%	3.8%
Participation Rate	63.0%	62.7%	62.9%	62.8%	62.7%	62.7%
CPI, YoY	2.2%	2.1%	2.4%	2.6%	2.8%	2.7%
PCE, YoY	1.7%	1.7%	2.0%	2.1%	2.3%	2.1%
Core PCE, YoY	1.4%	1.5%	1.9%	2.0%	2.1%	2.1%

Sources: Bloomberg, Stifel

Gross Domestic Product (GDP), Consumer Price Index (CPI), and Personal Consumption Expenditures (PCE) are commonly referenced headline gauges of economic growth and inflation.

## Our Chief Investment Officer

Stefan Iris brings more than 20 years of investment experience to the team. Stefan oversees the entire investment management process, including research, asset allocation and proprietary and non-proprietary strategies. He also serves as Portfolio Manager to a select number of individual and institutional clients.



**Stefan K. Iris, CFA**  
Chief Investment  
Officer

## Our Team

Camden National Wealth Management provides wealth management, investment management and trust services to individual and institutional clients in Maine, New England, and throughout the United States. Our top credentialed team has an average of 25 years in the business and consists of Chartered Financial Analysts, estate planning attorneys, CFA Trust specialists and Financial Planners. We work together to bring a customized investment and planning approach to meet our clients' unique and individual financial needs. In December 2016, Camden National Wealth Management was launched as a new brand after Acadia Trust, N.A. was merged into Camden National Bank. Acadia Trust, N.A. had been operating as a wholly-owned subsidiary of Camden National Corporation since 2001.



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