10 Retirement Planning Mistakes North Texas Retirees Should Avoid

An educational guide for retirees and families across Dallas-Fort Worth and North Texas

Retirement can last for decades. A coordinated plan can help you manage income, taxes, healthcare, investments, and housing with greater confidence.

Retirement can be an exciting new chapter, but it also requires a different approach to managing money.

During your working years, a regular paycheck may make it easier to recover from an unexpected expense, market decline, or financial mistake. In retirement, your savings may need to support you for decades, which makes careful planning especially important.

Retirees throughout Dallas, Fort Worth, Plano, Frisco, McKinney, Denton, Southlake, and other North Texas communities often face the same questions about Social Security, spending, investments, healthcare, housing, and taxes.

Avoiding the following common mistakes may help you build a more confident and sustainable retirement plan.

1. Retiring Without a Written Income Plan

Having a large investment account is not the same as having a retirement income plan.

A retirement income plan should identify where your monthly income will come from, how much you expect to spend, and which accounts you will use first. It should also account for taxes, inflation, market changes, healthcare costs, and unexpected expenses.

- Social Security
- Pensions
- Traditional retirement accounts
- Roth accounts
- Taxable investment accounts
- Rental income
- Part-time work
- Annuities or other income-producing assets

Without a coordinated strategy, retirees may withdraw too much during the early years or create unnecessary taxes by using accounts in the wrong order. A written plan can help turn retirement savings into a structured income stream.

2. Claiming Social Security Without Reviewing the Long-Term Impact

You can begin receiving Social Security retirement benefits as early as age 62, but claiming before full retirement age generally results in a lower monthly benefit. Waiting longer may increase your benefit, up to age 70.

The right decision depends on your health, life expectancy, employment income, marital status, survivor needs, and available savings. For married couples, the decision should often be coordinated because a higher earner’s claiming choice may affect the income available to a surviving spouse.

Retirees who continue working should also understand the Social Security earnings test. Social Security is more than a break-even calculation. It is a lifetime income and survivor-planning decision.

3. Underestimating How Long Retirement May Last

Many retirement plans fail because they are built around a time horizon that is too short. A person retiring in their early or mid-60s may need savings to last 25 or 30 years, and one spouse may live significantly longer than the other.

- Inflation
- Market downturns
- Healthcare expenses
- Long-term care needs
- Home repairs
- Family support obligations

Planning for a longer life does not mean assuming the worst. It means avoiding a strategy that only works if everything goes according to plan. A strong retirement plan should be tested under several scenarios, including longer life expectancy and lower-than-expected investment returns.

4. Spending Too Much During the Early Retirement Years

New retirees often spend more during the first few years because they have additional time for travel, hobbies, home projects, and family activities. There is nothing wrong with enjoying retirement. The risk comes from creating a spending level that cannot be sustained.

Large withdrawals early in retirement may be particularly damaging if they occur during a market decline. Selling investments after values fall can leave fewer assets available to participate in a later recovery.

- Essential expenses, such as housing, utilities, food, and healthcare
- Lifestyle expenses, such as travel, dining, and entertainment
- Occasional expenses, such as vehicles, home repairs, and family gifts

This approach can make it easier to adjust spending when markets or personal circumstances change.

5. Ignoring Taxes Because Texas Has No Individual Income Tax

Texas does not impose an individual state income tax, which can be an advantage for many North Texas retirees. However, retirement income may still be subject to federal income tax.

- Traditional IRA and 401(k) withdrawals
- Pension payments
- Interest and dividends
- Capital gains
- Rental income
- A portion of Social Security benefits
- Business or consulting income

Taking a large withdrawal from a traditional retirement account may increase your federal tax bill and potentially affect other costs. Tax planning should happen before a withdrawal is made, not only when the tax return is prepared.

Possible strategies may include coordinating withdrawals among taxable, tax-deferred, and Roth accounts, managing capital gains, making qualified charitable distributions when eligible, or completing Roth conversions during lower-income years.

6. Overlooking the Connection Between Income and Medicare Premiums

Many retirees assume Medicare premiums are the same for everyone. Higher-income households may pay additional income-related premiums for Medicare Part B and Part D. These charges are commonly known as the Income-Related Monthly Adjustment Amount, or IRMAA.

A large Roth conversion, investment gain, property sale, or retirement account withdrawal may increase income enough to affect future Medicare premiums.

This does not mean retirees should avoid every transaction that increases income. The important point is to evaluate the full cost before acting. Medicare planning and tax planning should be coordinated.

7. Assuming Medicare Covers Every Healthcare Expense

Medicare provides valuable healthcare coverage, but it does not cover every service or expense. Retirees may still face premiums, deductibles, coinsurance, prescription drug costs, dental expenses, vision expenses, hearing care, and services that are not covered.

Original Medicare generally does not cover most long-term custodial care. Retirees should account for healthcare costs in their regular budget and consider how they would handle a major long-term care need.

- Retirement income
- Dedicated savings
- Health savings accounts
- Long-term care insurance
- Hybrid insurance products
- Home equity
- Support from family members

The right approach depends on your health, age, financial resources, insurance options, and personal preferences.

8. Taking Either Too Much or Too Little Investment Risk

Some retirees move nearly all of their money into cash because they are afraid of market losses. Others remain heavily invested in aggressive assets because they are concerned about running out of money. Both approaches can create problems.

Holding too much cash may reduce short-term volatility, but it may also make it harder for savings to keep pace with inflation. Taking too much market risk can expose money needed for near-term expenses to a significant decline.

- Provide money for current spending
- Maintain a reserve for emergencies

- Generate income
- Support long-term growth
- Provide assets for a surviving spouse or heirs

The appropriate investment mix should reflect your spending needs, time horizon, risk tolerance, other income sources, and ability to reduce withdrawals during difficult markets.

9. Treating the Family Home as a Complete Retirement Plan

Many North Texas retirees have accumulated substantial equity in their homes. That equity can be valuable, but it is not the same as accessible income.

- Property taxes
- Homeowners insurance
- Maintenance
- Repairs
- Utilities
- Homeowners association fees
- Accessibility improvements

Retirees should evaluate whether their current home still fits their lifestyle and financial plan. Consider affordability, proximity to family and healthcare, the ability to maintain the property, and whether moving would meaningfully improve retirement.

Downsizing is not automatically the right choice. Staying in the home can also be reasonable when the costs are manageable and the location supports your quality of life.

10. Failing to Update the Plan After Retirement Begins

Retirement planning is not a one-time event. Your plan may need to change when markets decline, tax laws change, a spouse dies, health needs increase, you move, you sell a property or business, your spending changes, required minimum distributions begin, or family members need assistance.

An annual retirement review can help identify problems before they become urgent. The review should include your income, spending, investments, taxes, insurance, estate documents, beneficiary designations, and major goals for the coming years.

Why North Texas Retirees Need a Coordinated Plan

Retirement planning in the Dallas-Fort Worth area may involve a distinctive combination of considerations, including rising property values, property taxes and insurance, relocation decisions, healthcare access, business ownership, concentrated company stock, oil and gas interests, real estate, charitable giving, and estate planning for multigenerational families.

These issues rarely exist in isolation. A decision involving investments may affect taxes, Medicare premiums, cash flow, and the estate plan. That is why retirement planning should look at the complete financial picture.

A Retirement Planning Checklist

☐ Monthly income and expenses	☐ Social Security strategy
☐ Pension options	☐ Investment allocation
☐ Emergency reserves	☐ Withdrawal order
☐ Federal tax projections	☐ Medicare coverage
☐ Long-term care planning	☐ Housing costs
☐ Property taxes and insurance	☐ Estate documents
☐ Beneficiary designations	☐ Charitable goals
☐ Family support plans	

When Should You Meet With a Financial Advisor?

Consider speaking with a financial advisor when you are within five years of retirement, deciding when to claim Social Security, choosing a pension option, preparing for withdrawals, considering a Roth conversion, selling a business or investment property, managing company stock, concerned about taxes or Medicare premiums, planning for a surviving spouse, or unsure how much you can safely spend.

A financial advisor should help you understand your options, explain potential tradeoffs, and create a plan that reflects your goals.

Retirement Planning With Provident Financial Planning

Provident Financial Planning helps retirees and families throughout North Texas evaluate retirement income, Social Security, investments, taxes, Medicare considerations, estate planning, and long-term goals.

Educational disclaimer

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