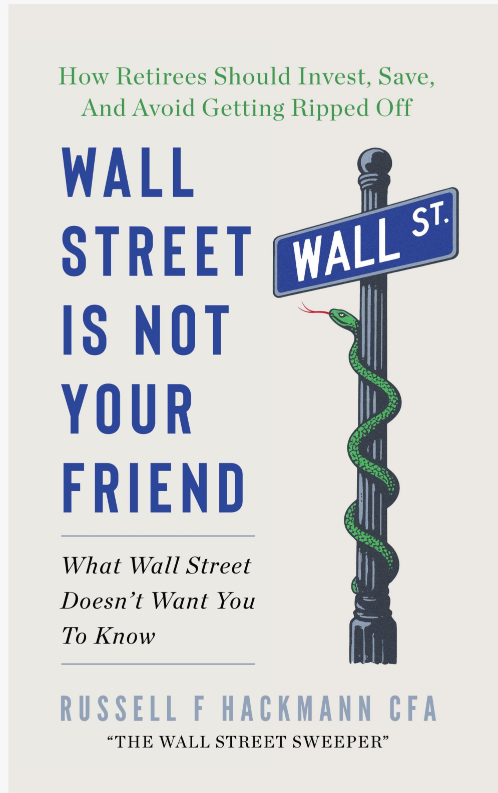
Financial Planning Expert Russell Hackmann: The Big Six Retirement Risks

LARCHMONT, NEW YORK, UNITED STATES, April 15, 2025 /EINPresswire.com/ -- “Wall Street ‘blows itself up, and the shrapnel hits all of us,’ every 10 to 20 years,” says author Russell Hackmann, “No matter how much money you have, losing 30% to 50% in a crash is an unacceptable risk in retirement.”



Wall Street Is Not Your Friend: How Retirees Should Invest, Save, and Avoid Getting Ripped OffWall Street Is Not Your Friend: How Retirees Should Invest, Save, and Avoid Getting Ripped Off

In Hackmann’s new book, Wall Street Is Not Your Friend: How Retirees Should Invest, Save, and Avoid Getting Ripped Off (2025, Indie Books International), he gives a thorough analysis of what retirees are up against and how best to navigate complex financial systems with the help of a financial planner.

Hackmann likes to paraphrase investing legend Warren Buffett from the 2020 Berkshire Hathaway annual meeting: “Buffett said don’t have any money in the stock market that you can’t afford to lose 50% of until the market comes back.”

“For retirements lasting 25 to 30-plus years, historically, we will see at least one Wall Street implosion during our remaining lifetime,” says Hackmann, a veteran of Wall Street.

He notes the troubles of 2001, 2008, and 2020 as examples in this quarter century.

Hackmann is a Certified Financial Analyst and president and founder of Hackmann Wealth Partners, which has offices in Larchmont, NY, Stamford, CT, Boston, MA, and Washington, DC. His book discusses the six biggest retirement risks as follows:

Market Risk includes hidden risks associated with stockbrokers and other financial management firms. “Wall Street’s mission is to make consumers pay 2% to 3% percent to manage their money, while keeping them unaware of the total amount of their commissions. They get away with it because they are exceptionally good at hiding fees."

Longevity Risk/Risk Of Outliving Your Money. With retirements spanning 25 to 30-plus years, and 20% to 50% of couples expected to have someone make it to ages 95 to 100, this is a risk for many people, especially for anyone with assets under $3 million.

Tax Risk. This is the risk that Uncle Sam takes a big bite out of your retirement accounts, like your 401(k), IRA, and 403(b). These are tax-deferred accounts, and Uncle Sam is coming for his share via required minimum distributions that start at age 73 and increase in escalating percentages each year. The government is increasingly eyeing this untaxed retirement money to support its ongoing deficit spending.

Inflation Risk. Price levels can double or even triple over a long retirement. The best way for the government to reduce the burden of the national debt is to print more money and reduce the value of each dollar—that's what has been happening in recent years. Your plan needs to anticipate growing budgets.

Underperformance And Hidden-Fee Risk. This is one of the most underappreciated risks. Your "fiduciary" advisor can invest your money in mutual funds in which their firm receives payments from the fund manager to be allowed on the "list" of approved funds. These funds systematically underperform market indices.

Long-Term Care Risk. If you need long-term care in your home or a nursing home, Medicare does not cover this; you must pay 100 percent out of pocket. Unfortunately, long-term care insurance is so expensive that most people would not attempt to purchase it. This leaves most people at risk of their assets being drained by long-term care costs.

In addition to the big six, most people believe that bonds are a safe investment: The theory is that a portfolio has stocks and bonds because bonds are safe. This is because typically, when stocks go down, bonds go up.

"Sometimes, it is true, but as in 2022, both went down because of an inflationary or high-rising interest rate environment," notes Hackmann.

"In 2022, we had a year where virtually all bond funds lost 15% at least, some lost more than 25%, and stock funds lost at least 20%," Hackmann states. "So, almost everybody lost money on everything that was in traditional 60/40 and 70/30 stock-to-bond portfolios."

Hackmann suggests finding a wealth advisor who comes recommended, licensed and fluent as both an Investment Advisor Representative (fiduciary) and in annuity and life products, if that is appropriate for you. That advisor should focus less on products initially than on accomplishing the retiree's core objectives.

“Most couples with less than $1 million and up to $2 million in assets could benefit from at least considering the protection of a properly structured annuity against outliving their money,” Hackmann counsels. “Additionally, with better annuities, you retain access to your money and can pass a balance on to your heirs.”

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Henry DeVries
Indie Books International
email us here