



# The Wealth Compass

## Navigating Your Financial Journey

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### Why Spending Feels Hard Even When You Can Afford It

#### Understanding Spending in Retirement

One of the most common conversations we have with clients happens after the hard work is done. The saving is behind them. The plan is in place. On paper, things look solid.

And yet, spending still feels uncomfortable.

That hesitation is not a sign of poor planning. In most cases, it is the result of decades of disciplined saving habits that are hard to turn off.

#### A Pattern We See Often

Many people arrive at retirement having done everything right. They saved consistently, avoided unnecessary risk, and stayed invested through good markets and bad.

What surprises them is how difficult it can be to shift from saving to spending. Even reasonable, planned-for expenses can create anxiety. The question quietly changes from “Can I save enough?” to “What if I spend too much?”

This shows up most often in the early years of retirement, when routines are changing and everything still feels new.

#### Why the Fear Persists

Spending hesitation is rarely a math problem.

In fact, the people who struggle with this the most are often the most disciplined savers. They spent 30 or 40 years being

“Retirement isn’t the end of earning — it’s the start of spending wisely on what truly matters.”

Anonymous

rewarded for restraint. Saving felt responsible. Spending felt optional. Those habits do not disappear just because retirement begins.

Market volatility does not help. Short-term swings and headlines can make long-term plans feel fragile, even when they are not. Longevity and healthcare costs add another layer of concern.

The same traits that helped build wealth can make it harder to confidently spend it.

### **What Retirement Plans Are Designed to Do**

Retirement plans are intentionally conservative. They assume reasonable market returns and build in room for uncertainty.

Just as important, they are designed to adjust. A plan is not a one-time forecast. It is a framework that evolves over time as real life replaces assumptions.

Most spending decisions are not permanent. Adjustments happen gradually, informed by experience, not emotion.

### **The Gap Between Perception and Reality**

In practice, retiree spending often looks different than people expect.

Spending tends to be higher earlier in retirement and usually declines with age. Many retirees end up spending less than their plans support, especially on discretionary items.

For households with solid planning and ongoing monitoring, the risk of running out of money is often lower than it feels. Still, the fear of that outcome can dominate decision-making.

For some families, the greater risk is not overspending, but never fully using what they built.

### **Why Spending Feels Different Than Saving**

Saving feels safe. Spending feels final.

Market declines show up immediately. The benefits of spending show up slowly. That imbalance makes restraint feel more comfortable than enjoyment.

This is not a lack of discipline. It is a natural emotional shift when the goal changes from accumulation to distribution. Recognizing that difference matters.

## A More Practical Way to Think About Spending

Instead of treating spending as a fixed number, it often helps to think in ranges.

Essential expenses deserve certainty. Discretionary spending allows flexibility. Reviewing decisions periodically, rather than reacting in the moment, keeps things grounded.

Spending does not need to be perfect to work. It needs to be intentional and revisited over time.

## The Role of Ongoing Planning

Planning does not remove uncertainty. It replaces fear with context.

Regular reviews, updated assumptions, and real-world feedback allow changes before problems become permanent. Over time, this builds confidence not just in the numbers, but in the decisions themselves.

The shift from saving to spending is one of the most overlooked parts of financial planning. It is also one of the most important.

## Closing Thought

Saving well got you here. Spending thoughtfully is the next skill. The goal is not to spend without care or to reach a specific balance at the end. It is to use your resources in a way that supports confidence, flexibility, and peace of mind along the way.

If this is something you have been thinking about, it is worth considering how it fits into your own plan.



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