Retirement by the Numbers

The Confident Retirement Solution

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FOREWORD

The Importance of Planning

In 2000, the Dow Jones Industrial Average (DJIA) was at an all-time high at around 12,000 points. A gentleman, whom I'll call Elliot, came to one of my seminars. He set up an appointment with me, and, two weeks later, we sat down together in my office. I was impressed as he explained his portfolio. He'd done well for himself in his sixty years. He had about a million dollars to his name. So, I worked with him to put together an income strategy. It was one I thought was appropriately conservative; it was designed to secure his assets and usher him into retirement with confidence.

He disagreed.

For years, Elliot had made big money on the market. Why would he want to sacrifice returns when his assets only seemed to grow? He took my strategy to another "advisor"—a broker—with whom he'd worked before.

"Look," Elliot said to me, "I've got to be honest with you. My guy said your approach is too conservative—that I'd be throwing away money if I listen to you. I believe him."

I told him that was fine, and I wished him the best.

That was before the two major bear markets and recession that happened between 2000 and 2010. I often think of Elliot and how his portfolio, risk-exposed as it was, likely turned out. Did his broker reposition him in time? Did he have enough income to support his lifestyle? Or did he, like many others whose assets were overexposed in those times, have to return to work to rebuild his nest egg?

How Much is Enough?

As you prepare for retirement, inevitably the question will arise: How much money do you need? It's a fair question, but I think it gets too much attention. After all, a million dollars in the stock market and a million dollars in a savings account are entirely different things.

Too often, soon-to-be retirees fixate on the number when, really, you should focus more on the financial plan. As Elliot's case demonstrates, even a respectable figure may not get you through retirement if it's not positioned correctly. The key is to establish lifetime income, and that's where a financial professional can prove invaluable.

Much of my focus as an insurance and retirement professional is on helping people avoid the missteps of retirement income planning. As you approach retirement, it's important to remember time is not on your side. To combat this, I want to help you leverage the system to get the biggest bang for your buck. But, to do that, it's important you understand how your longevity, the tax system, your retirement income, and market volatility affect your overall plan. Much of this book is dedicated to examinations of those topics. I've helped people prepare for their retirement dreams for over forty-two years. I've seen a lot of change in the retirement landscape, but the fundamentals of a sound retirement remain the same: it all comes down to income.

How we establish lasting income these days, however, varies tremendously from times past. Every day, I sit down with potential clients who paint for me a vision of retirement based on what I believe to be archaic ideas. Unfortunately, you probably cannot retire like your parents and grandparents before you. Believe me, today's retirement climate is a different ballgame.

You must consider many variables when planning for retirement, and there are many potential pitfalls you must look out for along the way. My goal is to help you protect your assets from the risks of poor planning and mismanagement. Then, you can have greater confidence you'll have enough money to live out the rest of your days stress-free.

If you're reading this book, it's probably because you want to enter retirement with confidence, knowing you'll have exactly what you need. If that's true, you've come to the right place. As you read this book, you'll learn some specific factors that could affect your retirement prospects and how they fit into the bigger picture. You'll learn the value of a comprehensive retirement plan and what things it should include. You'll read about taxes, Social Security, the stock market, insurance, and so much more.

So, let's get started.