

Financial Focus

WEALTH MANAGEMENT AND RETIREMENT INCOME PLANNING

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Notable Quote

"Success is not final, failure is not fatal: it is the courage to continue that counts."

- Winston Churchill

WHEN SHOULD I RETIRE?

Often, I'm presented with cases of someone desiring to retire and wondering if the numbers will work to sustain their desired lifestyle or needed income. While we have the software to crunch the numbers I will always say that no matter the output, take it with a grain of salt.

Interest rates, rate of return, taxes, or inflation can all have a big role in the end result. And unfortunately, no one knows for sure what those will be. But, a couple of items to remember that could help:

More often than not, your greatest asset is yourself... meaning, your ability to work and draw an income.

How about when to take SS benefits? If you qualify for Social Security (SS) benefits, the amount you receive will depend upon the age you elect to take it. And if you start before your Full Retirement Age (FRA) the monthly amount you receive will be reduced the rest of your life. And delaying benefits past FRA will increase the monthly amount you receive. A key to remembering about SS is the longer you delay payments until FRA, the higher the monthly income will be the rest of your life. Lots of great information is available at the www.ssa.gov website.

Here are some a few key components to ponder when considering when to retire. 1) by working longer, you delay tapping into the nest egg thus making your nest egg last longer. 2) Should you continue working longer you'll hopefully be contributing to the nest egg instead of taking away from it to make it last longer. 3) Waiting to turn on SS payments until Full Retirement Age could mean a significant increase in income if you live a long life. If you delay SS payments until FRA, your SS benefits could go up a minimum of 32% compared to what you would have received at FRA.

Another component... studies show that working serves as a purpose and can lead to higher quality of life. If you don't choose or have to work to draw a paycheck, perhaps you could find yourself keeping busy by volunteering, etc.

Lots to consider when it comes to retiring. Feel free to contact me if you'd like to discuss.

A BIBLICAL PERSPECTIVE

Lifestyle: The Bible does not specifically address a standard of living but to be content with food and clothing (I Timothy 6:6-8, Philippians 4:11-13). Considering how much is enough can be challenging.

Romans 12:2 says, "Do not be conformed to this world." Society seems to tell us that we are to increase our lifestyle to the extent that we can afford (or borrow). We live in a culture that sells on the myth that having more brings satisfaction. I'd say buying into that lie will more than likely lead to discontentment.

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Buy things for their usefulness, not status. Your validation doesn't come from what you own.

Paradox of Prosperity: The more you have, the more choices you have which results in greater confusion and complexity to life. The more you have the less real freedom you have.

Lifestyle can often have an impact on our kids as well. Ever known of a kid you think feels entitled? I've thought that of my own kids. They often don't seem to appreciate what they have. My wife (Penny) and I are figuring out that finding a balance in what they're given vs. what they earn can be difficult. I wonder if giving children what they want, when they want it, in their youth can impact them in their adult life.

Could children become accustomed to a lifestyle they're unable to maintain when they get out on their own? For many, they're unwilling to move to a lower standard of living and thus fall into the credit card trap where debt can become insurmountable. Recognizing and conversing with kids/grandchildren may help alleviate some of this issue. But remember, more is caught than taught!

Our nature is often to put our best foot forward in the hopes that we may be perceived in a better light. I struggle with this and hope I place my identity in Christ completely which can lead to being more grounded in the Lord, not in what others may think.

Finding your identity in Christ can also lead to a lack of desire to display success as the world may suggest, not to mention the peace of mind it can bring. There is freedom in not feeling pressure and wondering how others may view you or how successful you are. Consider how much is enough and prayerfully seek God's direction regarding lifestyle.

CHRISTMAS – WHY ALL THE HYPE?

Do you stop to reflect upon Christmas and why it's celebrated? Christmas is based on the story of Jesus' birth and is celebrated by Christians the world over. It is the celebration of God's promise of salvation as He sent his Son Jesus to live among us to bring hope.

According to the Bible, we have the assurance of everlasting life with God our Creator when our journey here is over. God sent his son as a sacrifice to pay for our sins and by simply following and believing in the one whom God has sent (Jesus), we are assured everlasting life (Ephesians 2:8-9, John 3:16-18).

Many think we get to heaven by our works, but I hope you will explore what the Bible says about how it is simply our faith in Jesus, in who he was and what he did.

I understand how it can be difficult for many to buy into the message of the Bible and see it simply as hype and foolishness. The Bible talks of the scales falling from the eyes allowing us to see truth. If you find it difficult to believe, I leave you with this; with an open and contrite heart, pray to a God you perhaps don't believe in, asking him to reveal himself to you, and wait and see. No harm in that is there?

I hope you ponder on how so many see it as more than just hype or a fairy-tale and that you will reflect upon the meaning of the season and consider the purpose of Jesus.

References of scripture about the birth of Christ can be found in Luke 1:26-56 and Luke 2:1-20.

In closing, I want you to know how much I appreciate the continued trust you place in us. THANK YOU for allowing me to serve you!

Wishing you & your family a Merry Christmas