

Gracie goes for some green!



The cute little girl you see here is my 11-year old granddaughter, Grace. At about the same time I was writing this article, Grace's dad took her, her sister, and some friends on a frogging expedition. According to my son-in-law, Grace got right into the program, and you can probably tell from the look on her face – and the size of the frog that she caught bare-handed! – that she was having a great time. By the way, my son-in-law made a wonderful frog leg fricassee one evening, and it was delicious.

Taking their grandkids frogging is probably not top on the list for many of my clients, but fishing, playing golf, travelling, volunteering, and other fun stuff are. My job is to help my clients pursue their dreams. However, it doesn't happen by magic, and, for most of my clients, it typically requires years of work, planning, and investing. One of the more sobering things I've realized – it's actually quite obvious – is that, when

it comes to getting money into your hands during retirement, it pretty much depends on what you are doing right now to prepare.

Down to basics: most of my clients want a steady income in retirement that lasts at least as long as they do, they want that income to support a decent lifestyle, and they want to live out their days in dignity. If that sounds like you, here's what some of my retirement-ready clients are doing to help them “go for the green” in retirement:

- 1. They resist the “I want it now and super-sized” mind-set.** Just about everyone does something silly with his or her money from time to time. If you'd like to come in and chat for a while, I'll tell you about the party barge I bought after Katrina that I thought would change my life. Mostly, it changed the size of my bank account...downward. You, too, might suffer through the inevitable money sidetracks and mistakes, but try to stay focused on slow and steady saving and investing. There is no magic to this approach, just commitment and a plan. Here's my offer: you tell me your retirement goal, and I'll help you figure out the details in seeking to get there. If it can't be done, I'll tell you, and we'll figure out something else.
- 2. They seek to build a source of retirement income to supplement Social Security.** For many people, the foundation of retirement financial well-being is the benefit they collect from the Social Security program. However, since the average monthly check for a retired worker is only \$1,461¹, it can only safely serve as one brick in the foundation. Most people will need something more, and, if my client doesn't have an employer pension, I like to see it coming from another guaranteed source, perhaps an annuity. Contrary to what you might read on Internet financial websites, annuities do not come from the dark side. Rather, they are powerful financial tools that can provide you (and your spouse) with a source of money in retirement. (Note that fixed and variable annuities are suitable for long-term investing, such as for retirement. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims-paying ability of the issuing company. Withdrawals made prior to age 59½ are subject to a 10% IRS penalty tax and surrender charges might apply. Variable annuities are subject to market risk and might lose value.)
- 3. Have a plan for dealing with long term care.** A lot of us are going to need long term care when we're old, and, if it's something a family member can't (or won't) do, that care is going to cost money. I'm seeing it happen among my older clients, and

so are a lot of other advisors. Have a plan and consider long term care insurance. It might be worth factoring in to your planning.

Being financially able to retire requires planning, saving, and investing. It takes effort, but it's not impossible. Call me, and we'll get started on your plan to go for the green – no frogs involved!

Mike Rich, CFP®, Pontchartrain Investment Management, 2065 1st Street, Slidell, LA 70458 985-605-5066

¹http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/#table2

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