



A self-made millionaire seeking a soft landing to retirement

Situation

A couple in their early 60s with no children were preparing to retire in the next few years. Despite their hard work and diligent savings, they were concerned about making the right financial choices to ensure a secure retirement.

They approached the Blue Fin Capital team for financial guidance. In their first meeting, they shared the following information about their financial picture:

- They had successfully accumulated \$1.5 million through disciplined savings and a modest lifestyle over the course of their lives.
- \$1 million of their savings were in two separate company retirement plans.
- They managed the balance of their savings through a self-directed brokerage account. These funds were invested in a handful of index funds.
- They planned to retire in two to three years.

They also outlined these concerns and priorities:

- Could they comfortably retire in three years based on their current savings?
- How could they find a balance between enjoying their life in retirement and ensuring ample funds for their longevity? They were worried about outliving their money.
- When should they claim Social Security?
- How could they generate income from their investments once they retired in order to supplement Social Security? They were particularly concerned about the years after they retired but before they began taking Required Minimum Distributions from their retirement accounts.

Approach

The Blue Fin team commended the couple for doing the hard work of saving for their retirement. To help them embark on a retirement that empowered them to enjoy life to the fullest, the team did the following:

- Helped the couple determine their baseline annual income needs, while also identifying how much extra they could spend annually to enjoy life while they were active.



- Showed them various scenarios of their wealth picture if they delayed retirement by one to two years or continued working part time for another three years. The scenarios also factored in various timelines for claiming Social Security.
- Provided them with various ways to generate income from their portfolio and Social Security both before and after taking required distributions from their retirement accounts.
- Designed an investment strategy that entailed a healthy exposure to equities so that their investments would keep up with inflation over the long term.

Outcome

These discussions with Blue Fin led to the following activities designed to empower the couple to enjoy their retirement:

- Consolidated all of their investment accounts with Blue Fin, rolling over the 401(k)s to retirement accounts and transferring the self-directed brokerage account
- Decided on a time line for a phased retirement over the next five years, which gave them the greatest flexibility to focus on hobbies and passions while continuing to generate income to cover their day-to-day expenses for a few years
- Prepared a detailed annual budget so that the couple felt comfortable about enjoying their desired lifestyle in retirement
- Updated their estate plan; Blue Fin helped them document their financial picture and overall goals, then coordinated a referred to the attorney who completed the plan

The couple's initial experience with Blue Fin changed their mindset from feeling uncertain about having enough money for their retirement, to one of abundance.

This case study is for illustrative purposes only.