



Retirement Planning

The 19

Risk Factors

Seniors may encounter



As we go through life,
we have the world at our finger tips.

Life is good.

As we approach or are into retirement, we tend to have a more refined outlook. We realize that we no longer have the invincibility of our youth. Items we would have never thought of before, can become the new reality.

This booklet will help bring to your attention, the many factors that can and do affect one's retirement. Some may never affect you.

It is our job to be aware of these factors. Look at the ones that may affect your retirement and plan for them.

They are in order according to the most relevance and priority.

Plan for them. Hope they never occur, but prepared if they do. No surprises in retirement.


Richard Goodrum, RICP®

RICP: Retirement Income Certified Professional.

#1

Out living your income

With the advancement of health care and our own awareness of good health, we are living longer. Being in one's 80's, 90's or even over the age of 100 is no longer uncommon. It's becoming the new norm on aging.

Retirement now can be over 30+ years. That is 30+ years of income from your own assets and planning.

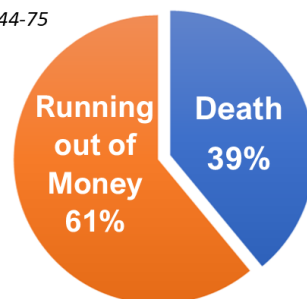
The term "Lifetime Income" takes on more meaning. It becomes a necessity.

A steady stream of income that you can never out live. Something that will always be there, regardless of how long your live.

The planning and preparation today will ensure that you maintain your lifestyle without interruption.

Which Do You Fear More ?

Ages 44-75



Source: Allianz Life Insurance

#2 INFLATION

In the 70's I saw a house go on the market for the astronomical price of \$75,000. A few years later I bought one for that price. Today that price is only a pipe dream

The average annual rate of inflation over a 30 year period is 3%. That however does not include 2 key items, Food and Gas.

Inflation is buying power. Maintaining that ability is crucial to maintain one's lifestyle.

An Inflation provision needs to be included in how you have set up your retirement income.



#3 Deep or Shallow Markets

When your investments are subjected to long term, downward changes in the market, your assets are reduced. If you are taking the average 4% safe withdrawal rate, you are faced with a decision. Do I take the same amount, quickly reducing my total assets? Or do I reduce my lifestyle to match my new income?

With guaranteed income, this factor becomes a mute point.

#4 Excess Withdrawals

Unfortunately, many have not broken the habit of living the Champagne Lifestyle on a Beer Budget.

This is one of the leading causes of Risk factor #1, running out of money.

Creating the Guaranteed Income, you can relax. Your basic expenses will be covered, allowing you to use other investments to enjoy what life has to offer.

#5 Health Risk

**As you will see in our Logo,
Health is a key factor.**

Not the cold you have. The major, life altering illness' that can occur. Maintaining your good health will have tremendous benefits. Being prepared if a major illness occurs without destroying the family budget. Taking into account the possibility of any Long Term Care that may be needed.

#6

Long Term Care

Long Term Care:

the great unknown in retirement. 70% of retiree's in their lifetime will receive some level of care at some time.



Families that have not prepared for LTC can be totally destroyed financially by the costs. One should assume that they will need LTC. Hopefully you will not need the extensive care required by some.

I would recommend that you obtain the specific brochure for Long Term Care



#7 Frailty Risk

Often neglected, Frailty, as a result of aging is seldom noticed. It occurs slowly and without any attention.

Aside from the normal discomforts, an elder's frailty is critical. Falls can become life altering. Recovering from a fall takes a longer time, some falls may permanently alter one's mobility.

#8 Elder Abuse

Abuse of the elderly is often never considered.

The facts however indicate a difference.

Regardless of where the elderly are living, abuse can occur. Causing both physical and emotional damage to an already fragile person.

Who would do this?

Sadly, 70% of abuse comes from either Family or Friends.

Often out of frustration of the care giver. In a facility, is the staff overworked and/or underpaid? Being on Medicaid will often create those conditions.

Investigate any prospective facility for your family

Remain aware for your loved ones.



#9 Market Risk

If you have reached retirement, you have experienced the effects of market Risk.

Time has the wonderful effect of removing the reality of what happened. Major declines occur about every 10 years. The last in 2008 with a 54% decline in the market. It's now 10 years later.

You have always heard "Time in the market". As a senior, your time is limited for recovery.

#10 Interest Rate



Having a very low interest rate is good. Unless of course, you are depending upon it for income.

To have a Bank CD at this time is pure foolishness. No other way to gloss over that.

Many have been told to BUY BONDS. It's great if your Bond rate is high. If it's low as they have been, your Bond becomes less valuable as the interest rates increase.

The very basic Fixed Annuities provide better returns with total access if you need it.

Remember inflation. If you are receiving less than 3%. You are losing your buying power.

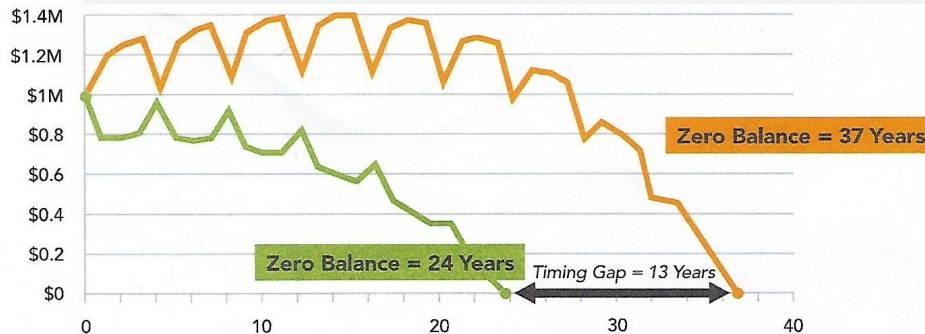


#11 Liquidity

If you have great assets, but can not get to them easily, their value is reduced.

Keep some assets liquid enough that you can access them quickly if needed. Life presents us with the occasional need for extra money, and having the ability to retrieve it with a phone call.

#12 Sequence of Returns



The effects of WHEN you start your withdrawals will make a difference. Starting at a low point to remove monies creates a lasting effect.

The remedy for this is having the Guaranteed Lifetime income, that is not affected by the effect known as Sequence of Returns. Providing income to ensure your lifestyle is not affected. Allowing other, more risky investments to provide the extra's to enjoy. Refer to the Brochure on Annuities.



#13 Forced Retirement

Regardless if it results from Downsizing or a Disability, it's effect are the same.

The household income is altered.

Having cash reserves available will help carry you through this period of adjustment.

#14 re-employment

The loss of employment before retirement raises many questions and problems. Should you take an early retirement? Are you in a position to financially retire?



To remain in the work force, are your job skills current or better? Can you make yourself more valuable to the employer, rather than be laid off? Can you find other employment without a major expense or relocation? Loss of one's primary source of income at older ages presents situations that many are not comfortable with.

#15 Employer insolvency

Employers can have financial problems. They can close the business without much notice. Leaving you at home wondering WHAT HAPPENED?

If you ever have any doubts about your employer, look around. Are there any negative changes in the business. Losing employee's. Reducing material supplies. Etc.

There may be subtle signs that the employer may be having some difficulty. Prepare yourself if the unforeseen should happen.

#16 Loss of a spouse



When one loses a spouse, there are many situations that arise. Including personal, financial or stability.

You may have been with that person for 3 or 63 years. A void is created. One is now alone. Family and close friends have a greater importance.

Income is often changed because of Social Security or Pension payouts. Expenses increase because the input of the deceased to help about the home is now gone.

Forming or maintaining friend's relationships as a couple, *feel different* when it is now only one person.

DO NOT make any major decisions for at least 6 months. Let the emotional loss' subside first.

For some the loss may have been anticipated because of health matters. For others it may be quick and never even thought of happening.

If a passing is expected, make sure all of the legal matters are in place. All of the financial information is known and in order. **Preparation.**

Regardless of how or when a person passes away, you should have in place at the least, a will. Dying "**Intestate**" with out a will or a Trust creates many avoidable problems.

#17 Unexpected financial responsibility

Parents all know about this. We help the kids when they were very young.

But they have been known to come back home because of divorce, job loss etc. The 30 year old in the basement syndrome. It happens.

Also maybe a parent or maybe a child suddenly becomes disabled and needs help. Things happen in life.

Having the cash reserves liquid and available allow for this to be handled without stress to anyone.

#18 Timing Risk

To quote a broker: You will lose if you think you can time the market for maximum returns.

For retirement purposes – Think Long Term.

#19 Public Policy

Public Policy will include any action by any level of Government that will affect you or your income.

Ranging from Social Security, Medicare, Taxation, Seizure of property, Home Owner Assoc. etc.

Retirement

For many it is something they look forward to. For others it may be thrust upon them before they are ready.

For myself, I tried it and didn't like it. I enjoy continuing to work, knowing that I can share with others, information that will benefit them.

Being retired does not mean that one can just lay back and let life slide by. Being both Physically and Mentally active will enhance your retirement. In turn, you will get more out of your retirement. Doing so will also solve many of the problems discussed in this brochure.

Keeping the mind working has been shown to hold off some mental impairments.

Keeping physically active tends to prevent many ailments that inhibit your normal activity.





If you have any questions,
please call or Email us.

We can help you, even
if you are not a resident
of the State of Florida.

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