

The Retirement Guy Meeting Log:

A frustrating day today as I met with a potential new client to help him with his financial well-being in retirement. Unfortunately, as they say in the Space Exploration Business.....
Houston, we have some problems

Me: So, how's your planning for retirement coming along.

Boomer: Fine thanks.

Me: Any problems you want to discuss?

Boomer: Nope, my stock broker says everything is fine.

Me: So, your retirement nest egg is protected from major stock market downturns like the one we had back in the year 2000 and again in 2008? And, like we will most probably see again in the near future?

Boomer: Well, I don't remember back to the year 2000. But I do remember I lost a bundle in 2008.

Me: How much did you lose in 2008?

Boomer: I don't remember. But it was a lot.

Me: And were you using someone to help you with your investments in 2008 when you suffered your losses?

Boomer: Yeah, but I fired that guy and hired my new guy.

Me: How much have you made in the stock market since 2008?

Boomer: I don't know, but it's a lot. I think I have fully recovered all my losses, and then some.

Me: So, market volatility doesn't bother you?

Boomer: Well sure it does. But my current stock broker knows how to take care of me.

Me: Do you have any idea how your stock broker has your money currently invested in the market? And what his investment strategy is to deal with market volatility? And how he plans to deal with market downturns as they occur during your long retirement?

Boomer: No, not really. But he knows what he's doing. I trust him. And, anyway, I'm just happy that the stock market is so strong now and that we'll never see another recession ever again. At least not in my lifetime.

Me: Does your stock broker charge you a fee for his services? And does he provide any guarantees regarding how he invests your money and how he will protect your nest egg from future losses?

Boomer: Yes, I pay him a fee. Or is it a commission? Or is it both???? I forget which. And yes, he guarantees to do the best job he can with how he invests my money.

Me: Do you review and understand your quarterly and annual statements regarding your investments?

Boomer: Nope and Nope. Don't need to. As I keep telling you, I trust my stock broker to do what's right for me

Boomer: Wait a minute. Are you trying to sell me an annuity? I hate annuities.

Me: Why do you hate annuities?

Boomer: Because I hear they're bad. And my stock broker told me to avoid them.

Me: Will you have a pension to draw from when you retire?

Boomer: Oh God no! That went away a few years ago. Now I only have my Social Security and my nest egg.

Me: Do you have a nest egg large enough to see you through retirement?

Boomer: My stock broker says I do. He assures me that I'll be just fine under the "4% rule of withdrawal."

Me: Do you know what that means?

Boomer: No, not really. But I trust him.

Me: Are you concerned about outliving your assets? Have you set up adequate streams of guaranteed lifetime income to supplement your Social Security benefits? Enough income to cover your living expenses in retirement? For both you and your spouse? As long as you both shall live?

Boomer: Well, when you put it that way. I hadn't really given it much thought. But I guess so.

Me: Have you and your stock broker prepared a reliable retirement budget and cash flow?

Boomer: I don't know what you mean by cash flow. But sure, I have a budget. I didn't need my stock broker for that. Besides he didn't offer to help me with that anyway.

Me: Can I see your retirement budget?

Boomer: Well no. It's all in my head.

Me: With your retirement budget, have you distinguished between essential living expenses and discretionary living expenses?

Boomer: ?????? What's the difference?

Me: Have you accounted for inflation over a long retirement period? Have you considered how long you might live in retirement? That you could live another 30 or 40 years?

Boomer: Oh God no. I won't live that long. My parents died in their 70's. So that means I will as well. And by the way, why is inflation so important anyway? The government says we don't have inflation.

Me: Have you accounted for the costs of health care that you'll be responsible for covering during retirement?

Boomer: Don't need to. Because, except for my diabetes, high blood pressure and asthma, I'm perfectly healthy. Besides, Medicare covers everything once I turn age 65.

Me: Have you accounted for how the catastrophic costs of long-term care could impact your nest egg?

Boomer: Don't need to. Medicare covers all that. Or is it Medicaid??? I forget which. Anyway, if I need long-term care, I'll just buy a gun and end it all before I get too old and feeble.

Me: Are you tax efficient with how you will draw on your retirement nest egg?

Boomer: Not sure what you mean by "tax efficient" but my CPA handles all my taxes.

Me: Does your CPA help you with tax-efficient withdrawals incorporated into your overall investment strategies that enable you to withdrawal less from your assets and achieve a similar net income result. This enables unused assets to accumulate longer and untouched.

Boomer: ?????? Well now you're just talking over my head. Are you sure you're not trying to sell me an annuity. I don't trust annuity salesmen. And neither does my stock broker.

Me: Have you done the necessary Estate Planning for life events while you're still living and for when you pass away. Wills, Powers of Attorney, Living Wills, Trusts, etc.?

Boomer: Sure. I had my will prepared over 20 years ago before I married my current second wife with her three kids from a prior marriage. So, I'm good to go on that front.

Me: Do you stay current on world events as well as changing financial rules, regulations and tax laws as they might affect your financial well-being in retirement?

Boomer: Nope. That's not really a priority right now. Too many other more important issues to deal with in my hectic life. Are we almost done here? I need to go talk to my travel agent about my Mediterranean cruise next month.