

# the BENE<sup>DICT</sup>BRIEF

6000 Lake Forrest Drive NW, Suite 550, Atlanta, GA 30328-5901 • 770 671 8228 • 770 671 0232 fax • 800 678 8227

## The (Potential) Answer to a Financially Successful Retirement

Over the years we have been asked, "What is the secret, or the answer, that will give us a financially secure retirement?"

In most cases the answer is quite simple, however, it is seldom received with the same clarity and simplicity that it is offered.

The answer is simple: Work Four More Years.

"But I'm old enough to retire."

But, what if I die and never get to enjoy retirement?"

"But, we want to spend time with our grandchildren".

Obviously this list of "buts" could fill an entire page, but the simple solution to a financially stress-free retirement for most people is to Work Four More Years.

Four More Years means your social security benefits are higher. Four More Years means not withdrawing from your retirement savings as soon.

"But two good friends of mine died before they turned seventy and didn't get to enjoy their retirement."

You may be unfortunate and die *young*, but Four More Years is probably the number of extra years you will live compared to what you think.

Now, even if you agree with the idea of working Four More Years, it may take some real planning. Your employer may not be interested in retaining your services. You may have a demanding job that is becoming even more stressful as you age. You may be working only because you have to, and you hate it.

Take out a sheet of paper and write down the reasons you don't want to Work Four More Years. Let's assume your job is working at a big surgical center and you are required to be there before 5AM every morning and, quite frankly, the early hours and the tension of the center are wearing you out.

Maybe you don't Work Four More Years in that position. Maybe you find a small group of doctors that want what you have to offer. Or maybe you partner with another person in a similar situation and the two of you fill a position, thus you are each working only part-time, but the position is filled full-time.

But, you say, I would get paid a lot less. Yes, I say, but staying in the work force that extra four years and enjoying what you are doing can be very valuable to your comfortable retirement. Besides, if you are in pretty good financial shape you may not need to contribute to your retirement plan during those "extra" four years, which would make your take-home pay somewhat higher.

Even if the idea of Working Four More Years appeals to your financial instincts, it is frequently not as easy as simply keeping the same job for four more years. Your employer may not agree with your decision; your skills may be showing some signs of aging or your position may become outsourced or outdated.

You need to plan for your Four More Years before that start of that period. Sometimes it is within the same general industry. For example, an over-the-road truck driver may find the job much more demanding at age sixty-two than he did at forty. Maybe a local driving position with more flexible hours would allow him to continue working and enjoying his life at the same time.

The school teacher that is tired of the "stuff" that goes on in the world of big-school education may start her own business of tutoring or privately teaching small groups.

Now, let's talk finances. Interest rates are at the lowest level probably ever. Other than social security benefits, most of your passive retirement income is very dependent on the level of interest rates. If you have a pension, you probably don't want to think about this but the success of your pension plan is very dependent on interest rates.

If you have a 401(k) or Individual Retirement Account, the income it produces is probably very dependent on interest rates. Oh, but you may say, "My account is all in stocks, so I'm not dependent on interest rates." We would say otherwise. The fairly high level of the stock market today is probably influenced greatly by the low level of interest rates.

Thus, the longer you can keep receiving an "active income" from working, the less financially stressful you will find your retirement. Just Four More Years can make a BIG difference, but it needs to be something you enjoy.

## WHAT WE DO...

We prepare retirement income plans, which are essentially blueprints to help our clients pursue their long-term retirement goals.

We manage our clients' investment accounts on a fee basis with discretionary authority focusing on meeting their objectives rather than focusing on what the financial markets may be doing.

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The primary author of The Benedict Report is Philip C. Benedict, CFP®. Travis M James, CFP®, Mark A Beaver, CFP® and Ashley A Thompson, CFP® provide technical assistance. Fredda B Schwartz and Jackie McAdoo handle the layout and editing of the newsletter.

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6000 Lake Forrest Drive, Suite 550

Atlanta, GA 30328-5901

770.671.8228

**What's the Secret to..?**