

I'd like to retire...Can I?

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Steve Peterson,



As advisors we are trained to have **deep, intimate conversations** with investors regarding their need to accumulate wealth towards future inevitable (as well as unforeseen) events. While items like college funding, vacation homes, etc. play an important role in these discussions, **the chief focus of wealth accumulation tends to be on retirement planning.** And yet, when clients enter this all important phase of life, we often find it difficult to (confidently) structure a plan to distribute their wealth. Throw in the incredible level of uncertainty that dominates the headlines today and it's no wonder those in transition are frozen in their tracks. It's a quandary, but there are options.

For me, the discussion of retirement has two distinct components - what life looks like dominates the conversation and how you finance it comes second.

The first part focuses on things like:

1. What does my spending look like today?
2. How will it change (if at all) post-retirement?
3. Beyond covering essential costs, can we afford to do more (travel, buy a new car etc.)?
4. Will we be able to leave anything to children, grandchildren or philanthropy?

The more extensive and exhaustive this conversation is, the more connected the client is to the plan and the recommended funding solution. The discovery document you designed during the first half of your relationship is now replaced with a new, retirement version. **These discussions are personal**, detailed and extremely comprehensive. Perhaps it helps to imagine this is a conversation with your own parents/grandparents - truly understand how they want to spend the rest of their lives. Detail the types of trips they dream of taking; how their spending might change as they age (dominated by health care); do they think their habits might evolve 5, 10 years and beyond; don't forget to mention the "what if's" life likes to throw at us. The more **specific and detailed** the plan, the more **confidence and trust** you can build with the client.

The next step is to discuss funding options.

There are a myriad of products designed to fill (more or less) this niche, however, is there a singular choice? It helps me to separate the conversation about **what retirement looks like** from **how you might support it**. The language you use can set the tone - instead of income and yield I would rely on words/phrases like sustainability and longevity as well as desired outcome. What they want/need to achieve in retirement is very personal and intimate - how it's funded is a matter of strategic focus, comprehensive evaluation, and pragmatism. It's important to tie your recommendations to those key phrases - creating a sustainable distribution path; understanding longevity risk and how we help clients deal with it personally; meeting regularly to ensure the solutions we've put in place continue to track towards your **desired outcome**. Even though every client is unique with different wants, dreams and desires, the thing they share is the need for someone to help them navigate this uncertain journey. If we spend less time trying to create the perfect custom portfolio solution for each and every customer's demands, and more time helping them **discover what's truly important**, I'm confident we can give an affirmative answer to the question posed in the title of this piece.

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