# Streams of Income…


# …Supporting Lifestyle

## RETIREMENT INCOME PLANNING

For decades, the financial industry's focus has been on the accumulation of assets. It was not until the first baby-boomers started retiring that the industry began to change its priority. Today, much research has been conducted on the topic of the distribution of assets. Dan recognized the need to focus on this topic a couple of decades ago. He began extensive reading and study in this area and now teaches on it. Teaching forces him to constantly "sharpen his saw" with the latest information on retirement income planning.

One of the major issues surrounding this topic is that the financial rules which are applied during the phase of our lives when we are accumulating money do not apply to distribution phase. In fact, when applied, they can do more harm than good. Many financial professionals who have concentrated on helping people accumulate wealth do not understand the different rules regarding distribution.

Dan identifies six primary strategies that may produce retirement income and a seventh option, which is usually more suitable. It is a combination of methods. Each technique has advantages and disadvantages. By using a combination of strategies, a retiree is able to leverage the advantages while potentially minimizing the downside of any one particular strategy in order to help accomplish the individual retiree's wishes, concerns, and desires.

The most popular form of retirement income distribution is the "withdrawal method". One of the major risks associated with this method is known as "sequence of return" risk. If this method is incorporated into your planning, Dan will teach you how you can help minimize sequence of return risk.

Many financial topics and considerations also go into developing a sound retirement income plan. They may include, but are not limited to, research, tax considerations, rate of return assumptions, the randomness of returns, asset allocation, product allocation, estate planning, charitable intent, the individuals' risk aversion level, longevity risk, financial maturity, and experience.

Any retirement plan must include considerations for:

1) an income for the life of the retiree,
2) an income for the life of a survivor,
3) emergencies,
4) ongoing unexpected expenses, and
5) the opportunity to leave an inheritance.

If any of these topics are ignored, the retirement income approach being taken is really not a complete retirement income plan. Consider meeting with Dan so you can learn how he can help you address the whole picture.