

Planning for Spending in Retirement

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Ask your questions

- Feel free to submit content related questions to the speaker by clicking this red button.
- Someone is available to assist with your technology and CPE related questions as well.



Download your materials

- Access today's slides and learning materials by clicking this green 'Resources' button at any time during this presentation
- If you need help accessing these materials send a message through the Q&A application

Let's get this out of the way ...

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Today's Panel



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Retirement is Americans' top concern

- **Not having enough money for retirement is the #1 financial concern of Americans**
- **Unexpected events contributing to financial fears and adding complexity to personal financial planning:**
 - Unexpected health care costs
 - Care for aging relatives
 - Divorce
 - Job loss
 - Adult children returning home
 - Baby Boomer retirement

Source: AICPA CPA Personal Financial Planning Trend Survey

Today's Agenda

- **Envisioning retirement**
- **Planning for retirement**
- **Implementing your plan in retirement**

Envisioning retirement

■ Create a purposeful retirement

- Dreams
- Second careers
- Working in a business or hobby-related job
- Volunteering - giving time, talents & resources to favorite causes
- Non-monetary benefits

■ Align values & expectations with available assets



Planning for retirement

1. What is your current spending?

- Critical process in retirement planning
- Track cash outflows (ie. via Quicken or Mint)
- Reality check: income minus savings should equal expenses
- Analyze spending by category: needs, wants, wishes

2. When do you plan to retire?

3. What changes to your spending do you anticipate in retirement?

A few things you may want to consider....

Retirement spending

■ Consider...

- Life expectancy
- Long-term care
- Healthcare costs
- Travel
- Supporting family
- Inflation
- Divorce
- Second home
- Starting a business

■ The “Retirement Smile”



Source: <http://www.sm-financialservices.co.uk/budget-2014-means-retirement-smile/>

Implementing your plan in retirement

■ Withdrawal strategies

- Rules of Thumb versus cash flow planning
- Asset allocation
 - Cash producing investments versus total return
 - Annuities
 - Interest and dividends
 - Taxable versus non taxable accounts
- Income taxes and the impact of withdrawal choices
- Spending adjustments

■ Flexibility of the plan

- Compare to actual spending and account balances, modify accordingly

Key takeaways

■ Planning is only as good as your goals.

- Know where you're headed
- Establish a budget and savings goals
- Develop a clear picture for retirement
- It is a continuous process, not a one time event

Where to Turn for Help

A CPA Financial Planner and a CPA/PFS are trusted advisors who...

- Operate at the highest professional level when delivering PFP services to clients, acting in the clients' best interest.
- Adhere to high standards as required by the Code of Professional Conduct and the Statement on Standards in PFP Services through the application of objectivity, integrity, due care and competence required by CPAs.
- Are regulated by state boards of accountancy.
- Integrate advanced planning concepts, including tax and business considerations, with the entire financial plan.

Resources

- findacpapfs.org
- aicpa.org/pfp/consumer
- 360financialliteracy.org
- **Among them:**
 - Checklists.
 - Today's PowerPoint presentation.
 - Archived recording of today's webcast.
 - Tips on choosing the right financial advisor.

Questions?