



# Keys to Increasing Your Chances for a Successful Retirement

## LIFETIME INCOME CASE STUDY

*Presented by Financial Sense Advisors, Inc.*  
Registered Investment Advisor

Robert & Sue Crowder

# **Important Notice:**

*This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.*

# ESSENTIAL INFORMATION

<b>Client:</b>	Robert & Sue Crowder.
<b>Ages:</b>	Robert is age 61 and Sue is age 58.
<b>Retirement:</b>	Both hope to retire in 5-6 years.
<b>Life expectancy:</b>	Both age 90.
<b>Risk tolerance:</b>	Moderately Conservative.
<b>Investment objective:</b>	Preservation of capital with income.



## WHO ARE ROBERT & SUE?

**Name:** Robert

**Age:** 61

**Job:** Architect

Robert has enjoyed a career as a civil engineer. He and his wife have relished spending their money and recently just purchased a new home. Robert and Sue have never lived off of a budget. Any savings they've accumulated over the years have been kept mostly in cash. Unfortunately, Robert and his wife have not made much of an effort to save for retirement and are concerned that they will need to continue working many years to make up for lost time.

**Name:** Sue

**Age:** 58

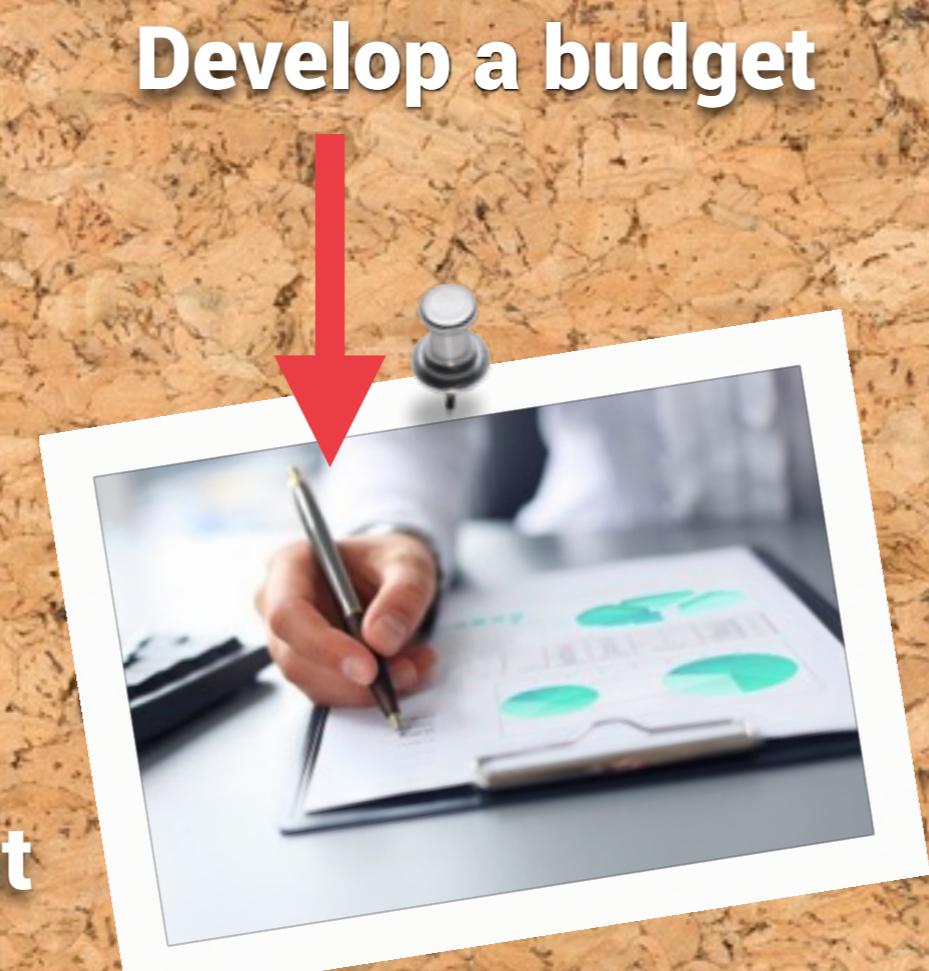
**Job:** Office Manager

Sue has worked as an office manager for a local consulting firm. She is becoming restless in her current line of work and is ready to retire however, is unsure whether they will be able to because of their little amount in retirement savings. Sue wants to be able to go on vacations with her husband while they are young and healthy enough to do so. Her biggest concern is that they will have to change lifestyles in order to afford their retirement.

# WHAT IS IMPORTANT TO ROBERT & SUE?



Saving for retirement



Develop a budget



Managing expenses

Maintaining the  
same lifestyle in  
retirement



# ROBERT & SUE'S CURRENT BUDGET

✓ Essentials:	\$55,000
✓ Discretionary:	\$35,000
	<hr/>
TOTAL:	\$90,000
Robert's Salary:	\$50,000
Sue's Salary:	\$45,000
	<hr/>
Surplus:	\$5,000



# ROBERT & SUE'S RETIREMENT BUDGET

✓ Essentials:	\$48,000
✓ Discretionary:	\$37,000
	<hr/>
	TOTAL: \$85,000
Pension:	\$18,000
Social Security:	\$41,000
	<hr/>
Shortfall:	-\$26,000



# ROBERT & SUE'S ASSETS

## Non-Investment Assets

✓ Primary Residence: \$450,000

## Investment Assets

✓ Taxable Accounts: \$125,000

✓ Robert's Retirement: \$80,000

✓ Sue's Retirement: \$75,000

---

**Total Investment Assets** \$208,000

Total Assets: \$658,000

Liabilities: -\$120,000

Net Worth: \$538,000

# ROBERT & SUE'S FINANCIAL PLAN CHALLENGES

1. High discretionary expenses.
2. No current budget.
3. Maximizing retirement income.
4. No diversification of assets.



# ROBERT & SUE'S RETIREMENT INCOME STRATEGY

## WITH NO CHANGES TO STRATEGY

		Robert's Pension	\$18,000/Year
		Combined Social Security	\$41,000/Year
<b>Investment Income</b>			
Joint/ROS	\$125K	Fixed Income & Dividend Payers @ 3.2% <sup>1</sup>	\$4,000
Robert's Retire.	\$80K	Fixed Income & Dividend Payers @ 3.2% <sup>2</sup>	\$2,560
Sue's Retire.	\$75K	Fixed Income & Dividend Payers @ 3.2% <sup>3</sup>	\$2,400
<b>Total Investment Income</b>			<b>\$8,960</b>
<b>Grand Total Income</b>			<b>\$67,960</b>
Less Budget \$85,000			
<b>Shortfall</b>			<b>-\$17,040</b>

*1,2 & 3: Yields are for current portfolio yields as of 10/25/16. Please see disclosures at the end of this presentation for security risks.*

# ROBERT & SUE'S RETIREMENT INCOME STRATEGY

## PROJECTIONS BASED ON RECOMMENDATIONS

		Robert's Pension	\$18,000/Year
		Combined Social Security	\$41,000/Year
<b>Investment Income</b>			
Joint/ROS	\$170K	Fixed Income & Dividend Payers @ 3.2% <sup>1</sup>	\$5,440
Robert's Retire.	\$110K	Fixed Income & Dividend Payers @ 3.2% <sup>2</sup>	\$3,520
Sue's Retire.	\$95K	Fixed Income & Dividend Payers @ 3.2% <sup>3</sup>	\$3,040
<b>Total Investment Income</b>			<b>\$12,000</b>
<b>Grand Total Income</b>			<b>\$71,000</b>
Less Budget			<b>\$78,000</b>
<b>Shortfall</b>			<b>-\$7,000</b>

*1,2 & 3: Yields are for current portfolio yields as of 10/25/16. Please see disclosures at the end of this presentation for security risks.*

# GOAL BASED RECOMMENDATIONS FOR ROBERT & SUE

Goal	Strategy
<b>Develop a budget</b>	We worked with them to develop and to understand the importance of maintaining an itemized budget so that they have a better grasp of where their money is going each month. Our analysis showed that controlling expenses had the biggest impact on their ability to retire.
<b>Managing high expenses</b>	After developing a budget, we advised them to cut their monthly expenses by reducing their discretionary expenses and instead saving the extra cash into their existing retirement accounts.
<b>Maximizing retirement income</b>	Based on their current standing, we advised that Robert continue working until age 70 and Sue find part-time work until Robert is fully retired. In addition, we recommended that they delay social security until fully retired at age 70.
<b>Diversifying assets</b>	As part of our advice to invest extra savings each month into a 401k, we also suggested that they reduce their current high levels of cash and invest in dividend-paying stocks and bonds to create investment income and moderate growth.

# Disclosures:

1. *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
2. *The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
3. *Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

# Financial Sense® Advisors, Inc.

Registered Investment Advisor

If you have any specific questions or comments, please give us a call at

**(858) 487-3939**

***We're happy to speak with you.***

Post Office Box 503147 - San Diego, CA 92150-3147

10809 Thormint Road 2nd Floor - San Diego, CA 92127-2403

(888) 486-3939 Toll Free (858) 487-3939 Tel (858) 487-3969 Fax

Advisory services offered by Financial Sense® Advisors, Inc.  
An SEC Registered Investment Advisor.