

Perspective

This past weekend my wife Susan and a few friends helped me celebrate my birthday. It was wonderful fun being with people I care for a great deal. It was also a cause of some deeper contemplation. Here at the start of the 64th year of life I am struck by the extent of the contrasts existing on our world. We seem far removed from some of the founding principles of the country, but more profound yet is how little our people know about their own history. It has been said that those who will not learn from the past are doomed to repeat it. Lessons can be learned by the mistakes of others or we can blunder into them on our own. History has much to teach us and in a much kinder way than we tend to learn on our own.

Impressive

Speaking of history, sometimes we forget all the ways we are blessed in 2018 over life in, say 1818. The crafting of our government structure, the freedoms secured in the Constitution and the Bill of Rights, crafted an environment that became an engine for creating prosperity unlike the world had ever seen before. Yes, it was and is imperfect, however, we enjoy a standard of living today that could not even have been dreamt of when our nation was young. We face many challenges as a nation and society, however we should also count our blessings to live in a country where we are mostly free to pursue our interests and talents. It is indeed impressive what can be created when that freedom exists.

Wealth Creation

One of the things that gets a laugh in our office is my countdown to leaving this line of work, now in just under 7 years. At age 70 it will be time (some might suggest past time) for me to hand things over to younger people. What will fund retirement is not so much any government program, but rather decades of putting away a little bit from every paycheck. The wealth that steady process has created is what will allow Susan and me to have sufficient resources to not be a burden on society or on our loved ones. It will also permit us to continue to contribute to society through a host of local, state and federal taxes.

Curve Balls

Interestingly enough, our saving and investing will also end up reducing our government benefits in two ways. The more income your investments earn, the more likely you are to pay income taxes on your Social Security benefits and the higher your mandatory Medicare premiums are. In an indirect way, the more responsible you have been in saving for retirement the less you will receive for doing so, which is an interesting outcome as you approach

retirement. This does not seem to be an intuitive way to encourage greater responsibility among citizens for retirement savings, something as a planner that I think more people should do in earnest.

If It Ain't Broke

At 63 years of age, one of my fond hopes is to be able to count on "the rules" not changing too much. How retirement works will most certainly change, but again my hope is not too much. For instance, Susan is a California native and she would like to continue to enjoy her/our home for many years to come. We'd also like to continue to live in the USA, with this state remaining in the Union. That is unless an idea floated by just one or two members of Congress came to be. A couple of folks there think it would be a good idea to confiscate all the retirement assets of private citizens and then dole them back out to the elderly. Hearing about potential solutions like this is when my prayer becomes for our politicians to PLEASE stop trying to "fix" things.

Reflection

If there is something to take away from this mixed bag of birthday observations it would be this, it is never too soon to begin committing a portion of what you earn to retirement savings. I can personally vouch for the fact that you arrive at retirement's doorstep all too quickly. The other undesirable truth is that the money needed is often a good bit more than many people might think.

Gratitude

Thank you dear reader for your patience with the musings (ramblings?) of someone quickly becoming an old man. With 6 years, 11 months and 27 days to go, I am grateful for your implicit permission to share a few perspectives with you. Birthdays can cause you to take stock of things and while my life has its fair share of challenges, I am also richly blessed in faith, marriage, family, friends and work. In turn, I also wish for you a heart of gratitude, as it is the number one emotion tied to personal happiness. May you too be richly blessed and have great reason for gratitude in your life.

Your Feedback

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

Colin S. Mackenzie, CFP®, AIF®
Cetera Advisor Networks LLC, Member FINRA/SIPC
301 E. Colorado Blvd, #400
Pasadena, CA 91101
mackenziec@ceteranetworks.com