

Switching Gears

If you are approaching 55 years of age, it is likely that you are noticing a shift in your thinking. Perhaps plus or minus 5 years around this age folks begin to wonder: "How will the cash I need appear in my checkbook when I stop working for a living?". While there is a logical component to this, trust in the reality that this is a deeply emotional event.

Experience from advising people going through this has provided some observations that are worth sharing. In the next three or so issues, let's reflect a bit on some of these insights from people I am privileged to know as friends and clients. We'll start with one person's "life after the paycheck" transition.

Am I Going To Be Okay?

It is completely natural for people to be anxious about their future condition. As a planner I love to sit with people, run numbers, show different scenarios, and help them project what they might expect in their financial life after work. It is very true however, that until you live something, it isn't "real" to you. Perhaps more troubling is our natural, human doubt that causes us not to trust until we have seen it for ourselves. Even people who have saved and invested diligently and have a surplus of assets in their plan have this same doubt. The words of comfort here are that others have gone through this and we'll do our best to help you through this too. It took a while, but gradually this client became more comfortable that everything was going to be okay.

Working Without A Net

It is easy to freak out a bit when you have to rely on the wealth you've built, maybe a pension for a few people, and some Social Security. Remember that you conditioned yourself to always be putting money away, now you are going to do an immediate 180 degree turn to begin taking money out. You have to be a little insane to think that this will feel perfectly normal, it won't. In fact, it will likely take about two years before you will feel comfortable with the idea that this alright and that you have enough "to make it". This was about the length of time it took for this client to feel more confident.

"The Bag Lady"

When you have worked hard and encountered life's challenges and adversities, it is a human tendency to keep a worst case picture in

mind. For this client, her compassion around homeless people and their condition caused this to be an anchoring picture in her mind. Logically and numerically she knew that this would not happen, however there is always a small nagging fear for most people. Interestingly enough, one of the best things she let me do was to encourage her to spend some money, within the parameters of the plan, on her "bucket list" items.

I Don't Know What I was Worried About

At the end of two years my friend confided in me that she wasn't sure what she ever doubted about retirement working out for her. We have been able to secure reliable sources of income, identify bucket list dollars for her to explore life and money for her to be a blessing to her family and the causes she supports. We even recently celebrated the achievement of a goal she had set for her investment account to reach, by doing a mental "happy dance" as she put it.

Bottom Line

Please remember that it takes years of saving and investing to be ready for retirement. Once you have done the hard work, it pays to sit down with a financial planner to chart the initially uncomfortable course of living off of what you have built over the years. If you are beginning this two year transition, know that we enjoy partnering with people to help them feel more comfortable through the process. In fact it is among the most satisfying things my associate Tasia and I have the privilege of doing.

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:

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