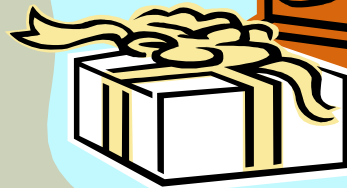
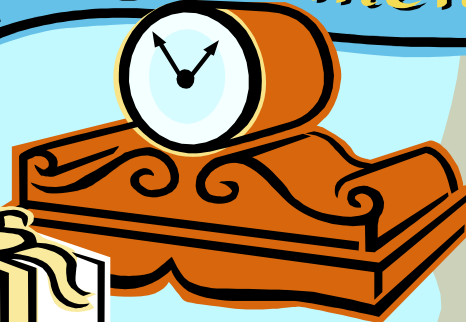
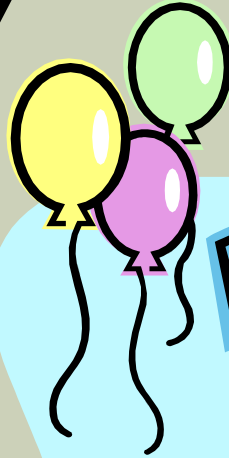
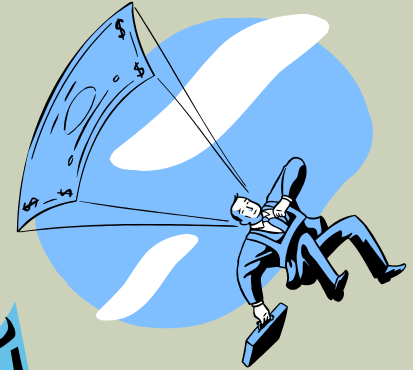
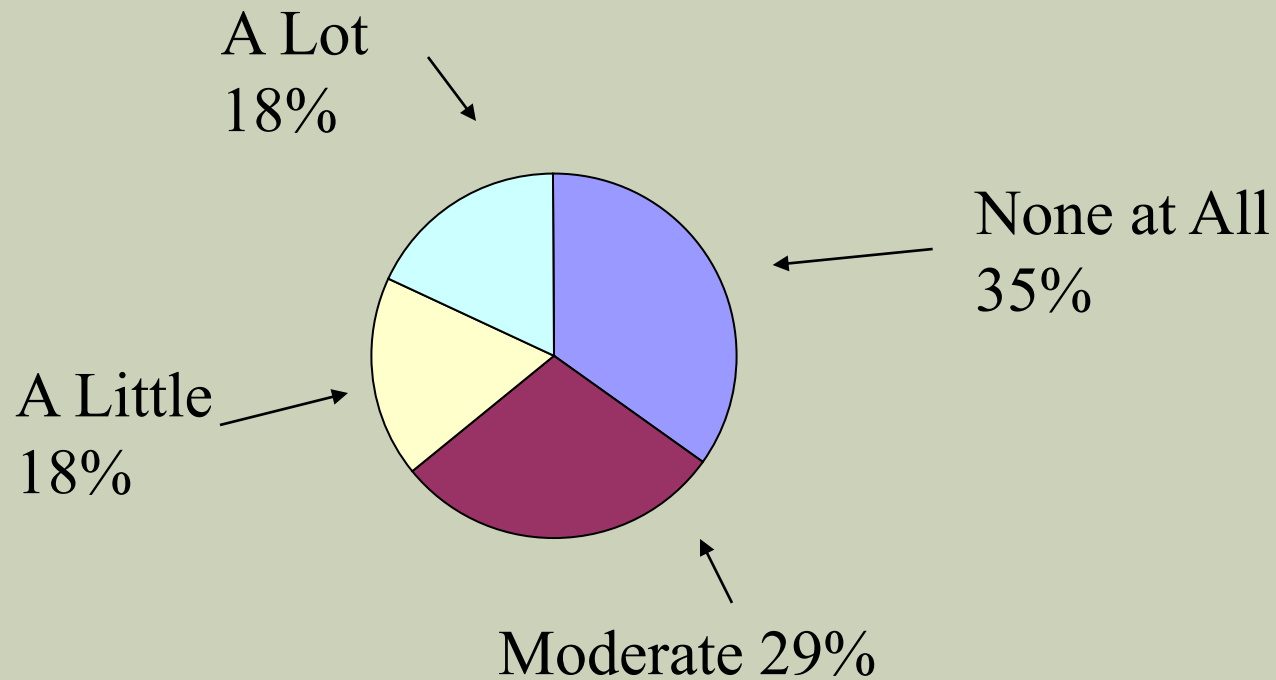


# RETIREMENT PLANNING

# HOW DO YOU PICTURE RETIREMENT?



# DEGREE OF RETIREMENT PLANNING



# STATS ON RETIREMENT PLANNING

- 46% American families have no retirement plan\*
- \$334,000 is mean value of retirement account\*
- 57% of Americans expect to work after retirement\*\*
- 55% of Americans say they're behind on retirement savings\*\*
- A 65-year-old retiring this year may anticipate spending an average of \$157,500 on health care\*\*
- Nearly 50% of American workers do not have an available retirement plan\*\*

\*2022 survey of consumer finances

\*\*Retireguide, 2023

# BENEFITS OF RETIREMENT PLANNING

- Base your savings on realistic information
- Find out if retirement plans are realistic
- Adjust your plans if necessary
- Increase investments to reach your goals
- Reduce your stress and worries

# PEOPLE THAT PLAN FOR RETIREMENT

- Are more likely to save
- Save more
- Accumulate more total funds

2000 Retirement Confidence Survey

# SIX RETIREMENT PLANNING QUESTIONS

- How do I envision retirement?
- How much income will I need?
- Where will I live?
- Will I be able to maintain my health?
- How will I balance work play & learning?
- How can I strengthen my relationships?

# WHAT ARE YOUR PARTNER/SPOUSE'S GOALS?

- Will you retire at same time?
- Will you continue to live in current home?
- How will it affect travel plans if one spouse does not retire?
- What is the impact of early retirement on retirement benefits?



# RETIREMENT INCOME

## HOW MUCH DO YOU NEED?

- Estimate of annual retirement expenses
  - Some expenses may decrease
  - Some expenses may increase
- Expenses may vary at different stages of retirement
  - Early
  - Mid
  - Late

# EXPENSES LIKELY TO INCREASE

- Health insurance
- Health care
- Leisure, recreation, entertainment
- Travel

# POSSIBLE REDUCTIONS IN EXPENSES

- Taxes
- No “work related” expenses
- No longer contributing to pension
- Housing costs
- Clothing
- Financially dependent children, parents
- “Senior Citizen” bargains
- More time to “do-it-yourself”

# EXPENSES LIKELY TO STAY THE SAME

- Food
- Utilities
- Auto/home insurance
- Gifts and contributions
- Personal care

# CALCULATIONS

- Adjusting expenses for inflation
- Saving to provide desired retirement income
- Estimating the growth of current investments
- Computing additional investments needed

# HOW MUCH WILL IT COST TO LIVE?

- How will your expenses change in retirement?
- Do you receive a family cost benefit from your business that you will lose?
- The impact of inflation

# DO YOU PLAN TO . . .

- **Maintain a role in the business?**
- **Transfer the business to a successor?**
- **Sell or lease the farm/ranch or land?**
- **Make gifts?**
- **Your decisions will impact your current financial condition, retirement planning and goals**

# FACTORS AFFECTING YOUR INVESTMENTS

- Amount you invest
- How soon you get started saving
- Rate of return
- Whether taxable, tax-deferred, or tax-free



# INVESTING FOR RETIREMENT

- Have you invested outside your business?
  - How much?
- How diversified are those investments?
- Is reinvesting in the business, investing for retirement?

# THE PROCESS IN A NUTSHELL

- Determine annual income target
- Adjust for inflation
- Determine the amount needed to provide income the desired retirement income
- Estimate the value of current assets at retirement?
- How much is needed in additional investments?

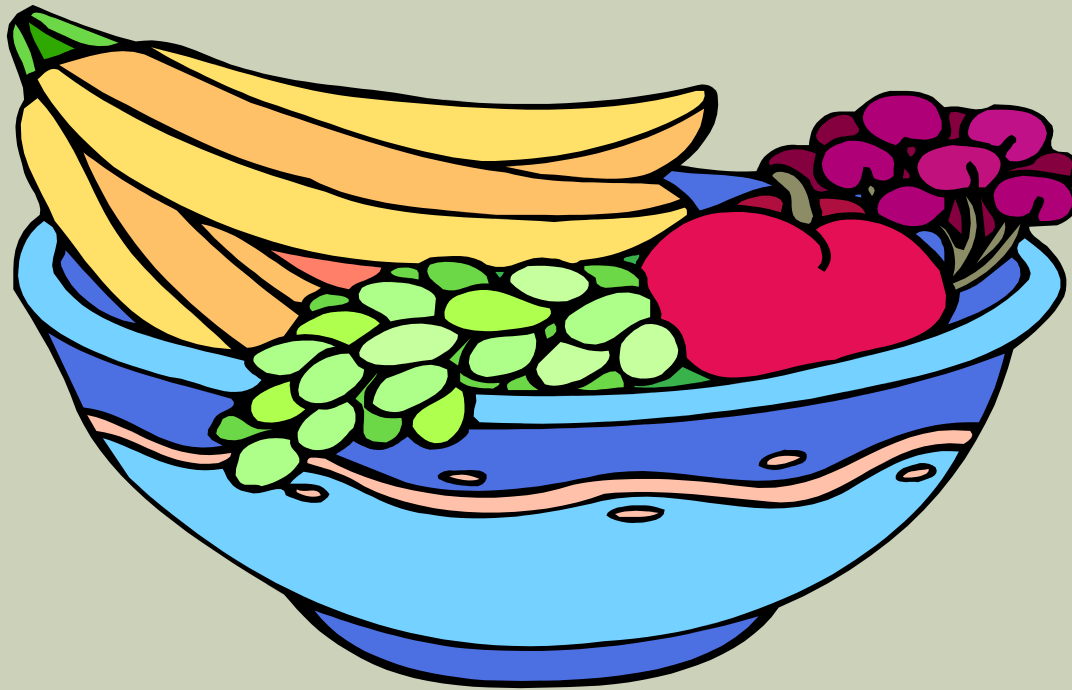
# DECIDING WHERE TO LIVE



# HOUSING RETIREMENT CONCERNS

- Physical safety of the home
- Security for health care
- Financial security
- Companionship
- Desire for independence

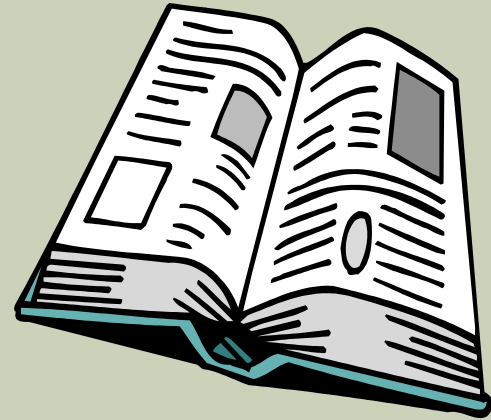
# MAINTAINING YOUR HEALTH



# WILL I BE ABLE TO MAINTAIN MY HEALTH?

- Have I had past Health problems?
- Do I have a Dr. that I like & trust here?
- Will I need additional care or money because of a health Problem?
- Would I be able to be independent?

# BALANCING WORK, PLAY, & LEARNING



# HOW WILL I BALANCE WORK, PLAY AND LEARNING?

- Hobbies
- A new career
- Travel
- School or adult education classes



# STRENGTHENING YOUR RELATIONSHIPS



# HOW CAN I STRENGTHEN MY RELATIONSHIPS?

- Spend more time together with spouse?
- Spend more time with grandchildren?
- Spend less time with business partners/friends in present community?
- Make new friends in new locations of travel/living?

# RETIREMENT PLANNING MISTAKES

- Failing to participate in retirement savings plans
- Neglecting to prepare retirement income and expense projections during the working years
- Expecting that Social Security will provide adequate retirement income needs
- Accepting an early retirement incentive offer without thoroughly analyzing its financial consequences
- Failing to consider the toll inflation takes on retirement savings
- Failing to take out the required IRA minimum withdrawals after age 70½

# ENVISIONING RETIREMENT



**Take time to consider the possibilities and draw your retirement picture...**

# DRAWING YOUR PICTURE OF RETIREMENT

- Where are you living in retirement?
- What are you doing?
- What are your non-business interests?
- What are your hobbies?
- What about your farm/ranch business?

**THANK YOU!**