



Wealth Care LLC Monthly Commentary-January 2015

Happy New Year!

I want to thank all of you deeply! Wealth Care LLC continues to grow and flourish, and we love our work. In 2014, we passed the landmarks of serving over 100 families and managing over 200 million dollars. As has been the case in the past, over 90% of new families come from direct referrals.

Individuals and families that work with us will receive their quarterly statements in the first two weeks of January. Please remember that the statements will be encrypted with the last four digits of the primary taxpayer's Social Security number. We never mind the inquiries if you forget this.

With the addition of Rachel Podnos JD to the practice, we are happy to offer more services than in the past. Clients that wish to work primarily with Steve can either be directly referred as in the past. Rachel (with firm support) will offer planning for individuals and families with specific issues as well as lower asset levels. Please let us know if we can help with your friends and family.

Practice News

Steve was honored in December as one of fifty nationwide Certified Financial Planner certificants chosen by the CFP® Board. His job will be to represent CFP certification as the professional standard of excellence

Rachel passed her Certified Financial Planner® exam in November. She will apply to use the CFP mark later this year.

STEVEN PODNOS MD, MBA, CFP®



A Supercharged Consumer's Reports

Check out www.thesweethome.com and www.thewirecutter.com. Respectively, they review household items and technology with a depth unseen on most sites. I use both sites regularly (along with amazon reviews) to buy online.

Social Security

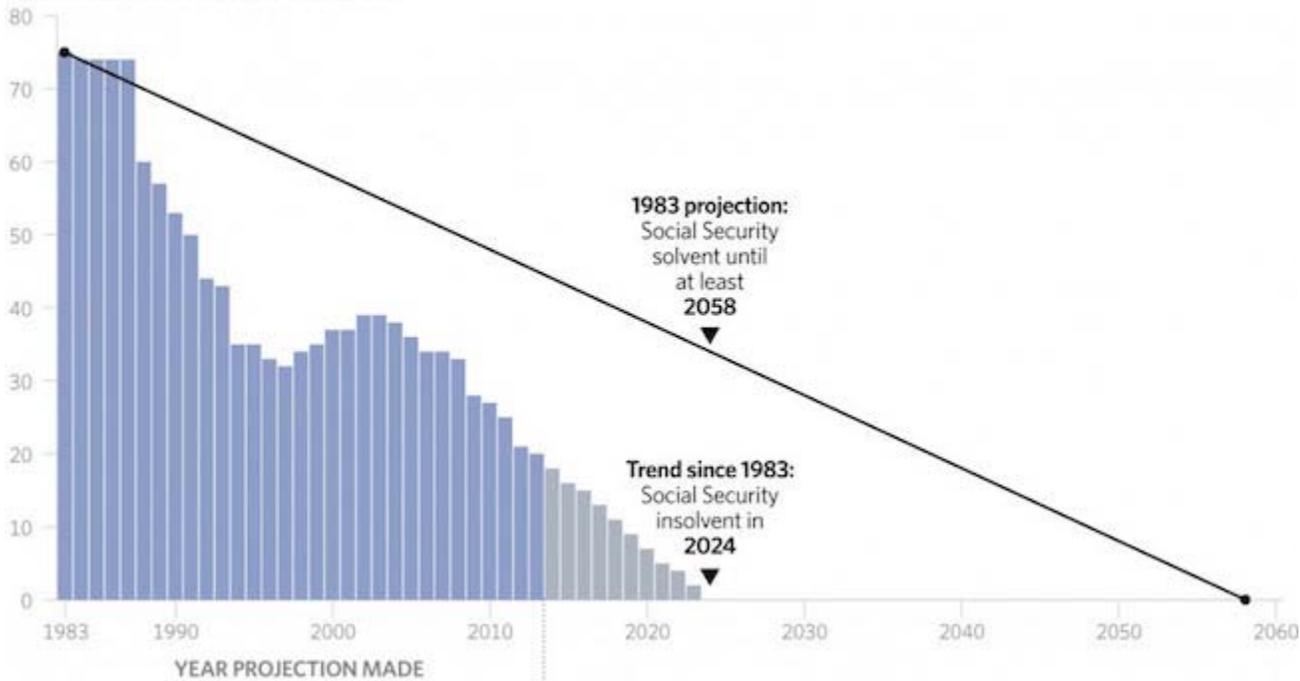
I have no doubt that Social Security will be changing. Those that are already receiving it (or are close) will most likely see no changes. Those younger than perhaps 55 years of age will see a reduction in the benefit. I suspect that those lucky to have other financial resources in retirement will see an increase in the taxable amount of benefits increasing from 85% to 100%. If you think like I do, the calculations on taking the benefits early changes much. Every calculator and article I see stresses the "fact" that if you ultimately receive more benefits by

waiting to start (to 66 or even 70). If the program changes as above, taking benefits early begins to make much more sense.

I've had this discussion with many of you that have had to make this decision. I'll have this discussion with more of you as time progresses.



PROJECTED NUMBER OF YEARS BEFORE SOCIAL SECURITY BECOMES INSOLVENT



How Much Can You Withdraw From Savings in Retirement?

The chart below is a nice illustration of a topic we have discussed with many of you. It demonstrates that between 1925 and 1985, a portfolio of roughly 50% stocks and 50% bonds allowed at least a 4% withdrawal rate for thirty years without running out of money. As we have also discussed, that has been the worst possible scenario (historically). Although some studies suggest that the addition of other asset classes and investment styles may allow a higher withdrawal rate, we have not had the time to prove this. Also remember, this is all in the past and we don't know the future.

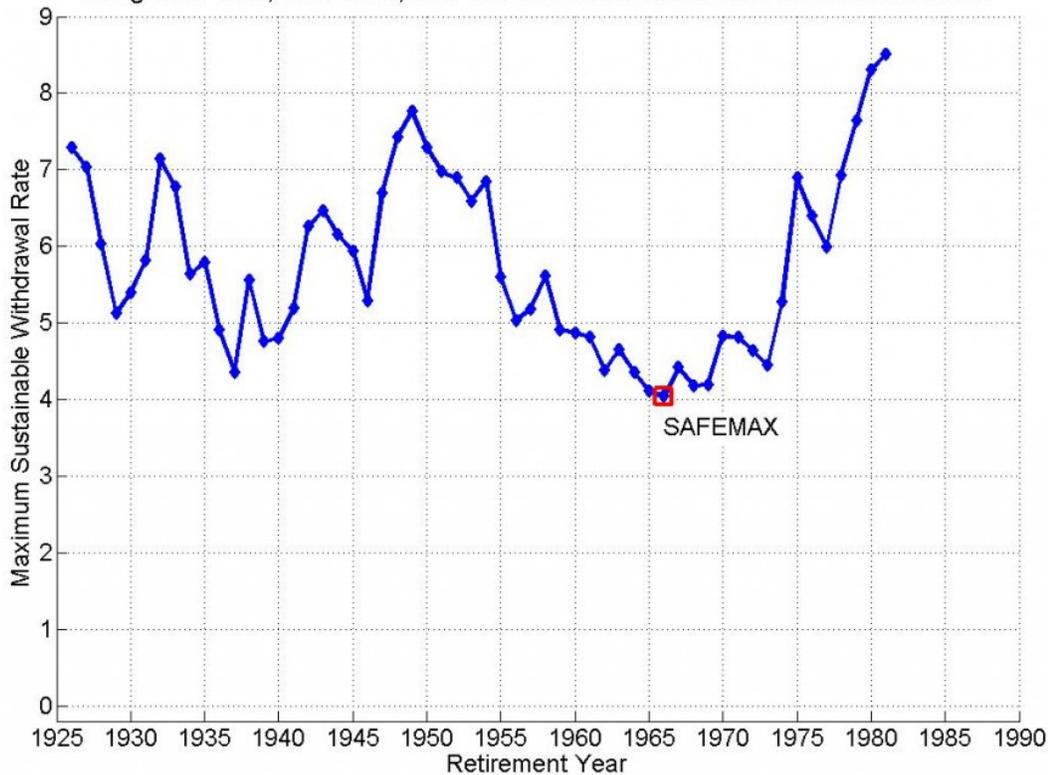
STEVEN PODNOS MD, MBA, CFP®



Figure 2.1

Maximum Sustainable Withdrawal Rates

For 50/50 Asset Allocation, 30-Year Retirement Duration, Inflation Adjustments, No Fees
Using SBBI Data, 1926-2010, S&P 500 and Intermediate-Term Government Bonds



Random Notes

~ Arnold Schwarzenegger...

Having more money doesn't make you happier. I have 50 million dollars but I'm just as happy as when I had 48 million.

~ George Roberts...

The first piece of luggage on the carousel never belongs to anyone

Money can't buy happiness, but it sure makes misery easier to live with.

The older we get, the fewer things seem worth waiting in line for. -Will Rogers

Steven Podnos MD, CFP® for Wealth Care LLC 1-1-2015

STEVEN PODNOS MD, MBA, CFP®