

THE \$TRATEGIST

Retirement and Associated Thoughts

By Thomas M. Wargin, CFP®, CFA

I was recently reading an economic report on new jobs and the number of people who have left the workforce. A large number of those leaving are doing so by retiring. For example, in June the US added 223,000 jobs. However, **Americans not in the labor force rose by 640,000 to record (sic) 93.6 million.**

Many of you have been asking us about various concerns surrounding retirement. One of them is downsizing. If you have cable TV, you may have watched a show called “Tiny House Nation,” which features people moving from a regular-sized home to one from 150 to 600 square feet of primary floor space. (I think I could possibly move to 500-600 square feet, but my wife is quite adamant that that is never going

to happen while she is alive.) It is amazing how efficiently they make use of the small spaces.

One of the main things that people have to contend with is getting rid of a lot of their “stuff.” This always raises the question of how much we really need to make us happy versus how much we want.

Another topic surrounding retirement is, naturally, claiming Social Security benefits. This is becoming a large part of our work and something you should definitely be reviewing prior to retiring. Also, some have expressed concerns



about the viability of the program. We believe that the problems that do exist will be resolved over time and have always counseled that it is best not to have it as the primary retirement income source, but to invest as much as possible to provide additional sources of income.

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Planning Notes

By June A. Schroeder, RN, CFP®

Credit Score Help

In the past, when you complained to a credit-reporting agency – Transunion, Equifax, or Experian – about an error on your report, the agency simply would pass along your complaint to the creditor in question. If the creditor would not admit there was a mistake, the agency would refuse to adjust or remove the entry. New rules require the

agencies to assign an agent to review the documentation you provide and allow them to change the entry despite the creditor’s resistance.

Are Credit Card Rewards Worth It?

According to CBS MoneyWatch.com, catalog products offered for reward points cost more than the items are worth. This includes airline travel! To maximize the value of the rewards, MoneyWatch recommends you take them in cash if possible. Or, as a second

choice, buy a retailer’s gift card instead of buying through a points catalog.

A New Tricky ID Scam

Scammers no longer need all your information to cause problems. They steal a little piece of your identity and combine it with another person’s name or a fake name, a phone number, and an address. Then they can create a fake person and apply for credit. Unfortunately, many of the applications

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Planning Notes, cont.

with mismatched information slip past the credit bureaus, credit card providers, and even prospective employers. Protect yourself by making sure your annual Social Security statement is not overinflated, and monitor your credit reports for unauthorized activity. We suggest you check them three times per year at www.annualcreditreport.com.

Want a Fulfilling Career? Don't Study Business!

A survey of college graduates of all ages, conducted by Gallup and Purdue University, revealed that, although it is the most popular course of study at U.S. universities, graduates with business degrees are the most bored with the work they end up doing. The graduates most interested in their work are in social sciences and education.

Don't Lose That 401k Company Match

At least 25% of all employees missed out on all or part of the company match in their 401k or 403b plans, leaving \$24 billion unclaimed according to recent research by Financial Engines. They

missed out on free money! Employees who use advisory services are more likely to get up to the full employer match and be more financially aware.

Mid-Year Charity Plan

Those of you who regularly donate to your favorite charities probably have been deluged with mail requesting funds. I already have six calendars for next year, on top of numerous address labels! It is easier to discard the duplicate requests if you have a plan and can resist the pleas for more money.

Determine an annual total you will give to all charities. Make a list of those charities you absolutely will give to and set an amount for each. Leave some of your total funds unaccounted for, because something unexpected will come up that you'll add to the list! Stick to that plan.

I usually try to get half of my donations done by this time of year to avoid the frenzy at year end. I'll be sending you tips on how to get off of some of those mailing lists in the next blast.

Retirement, cont.

There are some people who want to live outside of Wisconsin for part or all of the year. We can help you examine the logistical and tax ramifications of that. Currently, we work with more and more of you who have permanent residences other than Wisconsin. This requires us to become more knowledgeable about those states and to find other planners and professionals who can assist us.

Some of you have asked for advice on living outside of the U.S. This is a topic that we will need to research. You may want to consider reading or subscribing to *International Living* magazine, which has articles about this topic.

One of the largest monetary concerns is health insurance and potential long-term care needs. We have a number of trusted outside resources, but we definitely recommend you review with us the various options and outcomes and how you can minimize potential problems prior to quitting work.

We know many of you dislike figuring out your cash flow. In fact, statistics show that only 48% of workers have tried to figure out how much money they will need to live comfortably in retirement. But taking a look at the above items, how you spend now and how that might change in retirement, along with sources of income, gives you an idea of how long your money will last. Above all, you want your money and your health to last as long possible.

Featured Artist

By Jessica Schenzel

We welcome Sue Cibulka, a representational/impressionist style artist, inspired by artists like Klimt and Van Gogh, who paints primarily in oils using an impasto technique. Her artistic passion lies in color and texture, by which she arouses viewers with the beauty of the world around us using nature's inspiration and vibrant color.



Sue's paintings come alive with the movement of wave and wind, the excitement of sunset skies and the quiet of woodlands and prairies. Do your eyes and soul a favor and visit our office just to get lost in her works of art. We found Sue due to her membership to The Arts Mill co-op in Grafton, WI. She lives in nearby Cedarburg with her husband and three children.

Staff Note

Richard has decided to retire in September and move to California, the home of his fiancé. We'll be sending more details in our next email blast. Don't worry, our tax preparation services will continue.



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