https://www.wsj.com/articles/a-couple-wants-enough-for-retirementand-to-keep-helping-their-sons-can-they-11602884875

JOURNAL REPORTS: WEALTH MANAGEMENT

A Couple Wants Enough for Retirement—and to Keep Helping Their Sons. Can They?

Game plan: A financial adviser offers his assessment on how they can reach their goals

James Rogers says his nest egg includes a car collection worth $70,000.

PHOTO: JAMES ROGERS

By Chris Kornelis

Updated Oct. 18, 2020 3:00 pm ET

Listen to this article
4 minutes

As James and Katherine Rogers hit their 60s, they want to be sure that they are set up for retirement—and can continue to help out their two sons.

Like many parents, the couple, who live in the metro Atlanta area, want to be there for their children in the future, whatever happens. "What keeps me awake is not being able to help out if they need help," Mr. Rogers says. One son has already started on a professional career, the other is working on a Ph.D.

Mr. Rogers works at a bank, financing construction equipment. Ms. Rogers works in education. They make about $200,000 a year combined and save 10% of their salaries in

401(k) and IRA accounts. They have about $500,000 saved for retirement and $300,000 in equity in their home, which they estimate is worth about $550,000. They recently refinanced to a 15-year mortgage. They also have $25,000 in cash and $70,000 worth of cars, including a paid-for 2007 Porsche.

They make monthly mortgage payments of $2,700. For the next year and a half, they'll also be paying $500 a month for a 2018 Ford F-150 they bought for their younger son. Other monthly expenses include $700 for groceries, $750 for utilities, $500 for insurance and maintenance on their cars, and $800 to $1,000 supporting their son in school.

Mr. Rogers says he and his wife would like to retire around age 65 or 67, and to then have $5,000 to $6,000 of disposable income each month into their 80s.

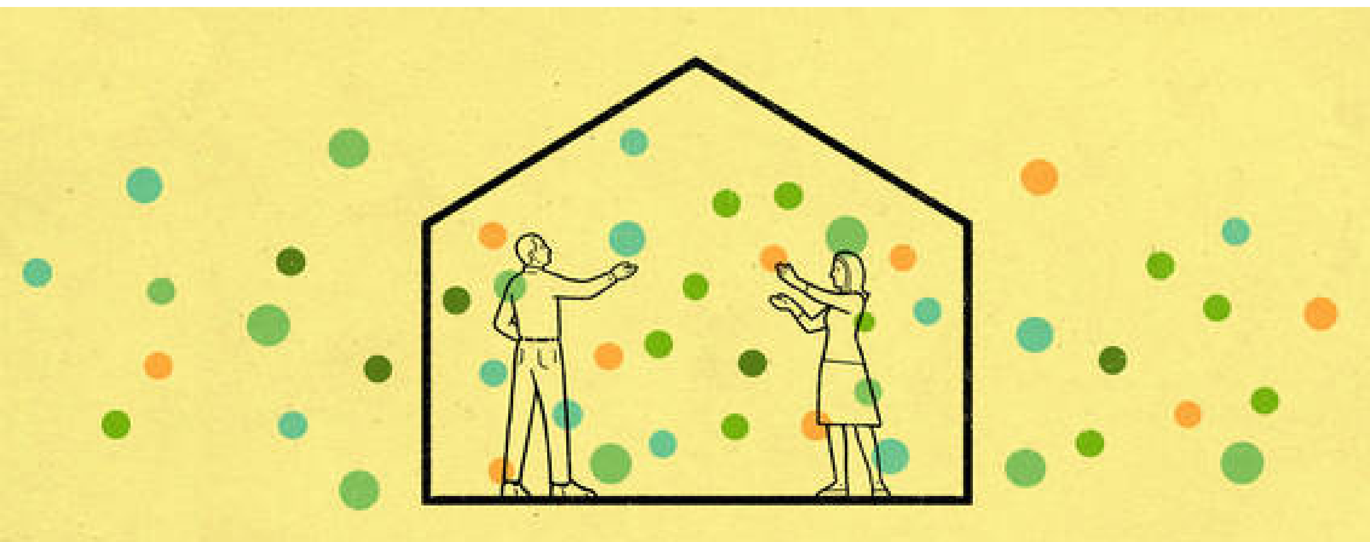
Mr. Rogers recently switched jobs and took a $90,000 pay cut. The new pay, he says, is acceptable, but he worries that if his employment status changes, it won't be as easy to find a new job in his 60s.

"Most of my life, I've been extremely fortunate that when my existing job is a problem, I've never *not* gotten a job within a day or two of deciding that I wanted to go get a job," he says. "I don't know how much longer I can do that."

Advice from a pro: Gerald Loftin, a principal and certified financial planner at Proficient Wealth Counselors in Norwood, Mass., says husband and wife are in good shape and on track to achieve their goals. With just a few steps, they should be able to retire when they want to, and be able to financially assist their sons when things come up.

Mr. Loftin believes that the couple has the disposable income to be able to put more away for retirement. Relatively speaking, they aren't carrying lots of fixed debt, which will allow them to save more aggressively than many people, Mr. Loftin says. Maximizing their retirement contributions also will help if Mr. Rogers needs a new job and has trouble finding one.

PREVIOUS GAME PLAN COLUMNS



A Couple Wants Enough for Retirement—and to Keep Helping Their Sons. Can They? (October 2020)

An Air Force Vet Needs to Cut Expenses and Debt. Here's Some Advice (October 2020)

Their Small Business Has Done OK in the Pandemic. Now What? (September 2020)

A Retired Teacher Wants to Reduce a Mountain of Student Debt (May 2020)

Their Income Took a Coronavirus Hit. Here's Some Advice. (May 2020)

Mr. Loftin recommends beefing up their cash reserves to at least $50,000. Money currently going to their Ph.D. student and the car payment should help them achieve that within a few years, he says.

For extra security, Mr. Loftin says each spouse should have at least $250,000 in term life insurance—to at least cover what's left on the mortgage—and ideally as much as $500,000 each. He also would like the couple to explore long-term-care insurance and disability insurance options—both short term and long term—that are available to them, through work and otherwise.

The planner also urges them to devise a solid estate plan in consultation with an estate attorney, and to explore setting up a trust that would further protect their assets and their ability to pass them on to their sons. Trusts can help in terms of protection against creditors or in case of a divorce, he says.

Mr. Kornelis is a writer in Seattle. He can be reached at reports@wsj.com

JOURNAL REPORT

- Insights from The Experts
- Read more at WSJ.com/WealthManagement

WEALTH MANAGEMENT

- Applying to College in Amid Covid-19
- How Covid-19 Can Unconsciously Affect Financial Decisions
- I Married Him for Love—and for My Health Insurance
- Tax Moves Worth Considering Before the End of the Year
- That Extra Penny in Retirement Income Can Really Cost You

Appeared in the October 19, 2020, print edition as 'A Couple Wants to Be Secure in Retirement, While Also Helping Their Sons.'

College Rankings

Energy

Funds/ETFs

Health Care

Leadership

Retirement

Small Business

Technology

Wealth Management