

# ON WEALTH

WINTER 2020 MAGAZINE

LEGACY  ADVISORS INC.  
PERSONAL WEALTH MANAGEMENT

## GETTING GOALS RIGHT

Creating a Smart, Flexible Retirement Strategy



### KEEPING YOUR CASH FLOW STRONG

Whether your retirement is just around the corner or years away, ensuring your preparations are in order can be the centerpiece of an effective retirement strategy.

### PROVIDING FOR YOUR PETS

A thoughtful estate strategy can help ensure that after you're gone, your faithful friend will be cared for.

### A 2020 VISION FOR THE NEW YEAR

One of the most important resolutions you might consider is to take better care of your eyes.

# WELCOME

DEAR CLIENT,

Season's Greetings!

As temperatures drop and hearths blaze with the year's first fire, our thoughts turn to the end of one decade and the start of another. After all, gentle ends and hopeful beginnings are what the season is all about. In this issue, we bring you multiple ways to care for yourself and your loved ones.

If you've found yourself squinting more lately while enjoying your favorite fireside book, it might be time to have your eyes checked. We take a look at the importance of eye health, and share some tips on how to prevent future vision problems. Another way to prepare for the future is through your estate strategy, and that includes providing for your beloved pets. We'll explore some choices available to you.

With a new year (and new decade!) on the horizon, now is an excellent time to review your big picture. We'll talk about evaluating the longevity of your nest egg, and we'll also look into some ways to set strong goals for a successful new decade.

We hope you enjoy what you read here and wish you a very happy wintertime. Thank you for letting Legacy Advisors be part of your life, through every changing season.

Warm Regards,

Your Legacy Advisors Team

	5							
		2		1			4	
9		6					1	2
6	1			3				
								7
7		3	4					5
					8			
			9				7	4
		8	5		4	3		9

HOW TO PLAY

# SUDOKU

Sudoku or "single number" is a logic-based, number-placement puzzle. The objective is to fill a 9x9 grid with digits, so that each column, each row, and each of the nine 3x3 subgrids that compose the grid (boxes) contain all the digits from 1 to 9 once.

	7			1		9		
			8				5	
			3					8
	5	9	6				7	
					1	2		
2	3						9	
		6						9
4							3	
8				5		6		

# Getting Goals Right

CREATING A SMART, FLEXIBLE RETIREMENT STRATEGY



THE NEW YEAR IS A GREAT TIME TO EVALUATE OUR GOALS, MAKE COURSE CORRECTIONS, AND GIVE OURSELVES PERMISSION TO **DREAM BIG.**

## *The Roaring 2020s?*

As we embark on a new decade, it's natural to wonder about what lies ahead. A century ago, they called them the "Roaring Twenties," but what will be the hallmark of this era? We can be sure it will bring both challenges and opportunities. The new year is a great time to evaluate our goals, make course corrections, and give ourselves permission to dream big.

## *Flexible Goal Setting*

Whether you're just starting out with your retirement strategy, almost there, or already enjoying the collective fruits of your labors, it's important to think of your strategy as something you will continue to manage for the rest of your life.

The best retirement strategy for you is one that takes into account your risk tolerance and time horizon, and is centered on the carefully-considered

goals you have set for your future. But a truly great retirement strategy is also flexible. It takes both highs and lows into account, and it's crafted with a variety of market conditions and outcomes in mind.

Making adjustments to your goals along the way is one way to help keep your cash flow strong and your retirement strategy on track. Your trusted financial professional is an ally in crafting a financial outlook that is both strong and flexible.

## *Tending Your Garden*

While it sounds appealing, a "set it and forget it" approach to retirement preparation is unrealistic for many, if not most. That's because it may not account for the flexibility and ongoing maintenance that keeps your strategy strong.

Think of your retirement strategy as a garden, one that you hope to keep alive for the rest of your life. Whether you're just planting seeds or already reaping a harvest, keeping your garden alive

means you must actively take care of it through all seasons. You will pay attention to what's growing, examine what isn't, and understand why. You will enjoy the fruits, and pull the weeds. You will be planting and pruning for years to come.

As you continue to refine and nurture your retirement strategy, it's essential to also have coherent and clear ideas of where you are headed. That's where good goal-setting habits come in. Let's take a look at how setting SMART goals can help your garden grow.

## *Be Smart About It*

You might have heard of the popular concept of setting SMART goals.<sup>1</sup> This helpful acronym represents a method for evaluating and clarifying the quality of a given goal you're setting. While often used in corporate or personal development environments, you can also apply the SMART-goal concept to your ongoing retirement strategy.

**SPECIFIC:** Make sure your retirement goal is clearly defined and articulated.

**MEASURABLE:** Make sure you can measure outcomes. Specific numbers can help with this.

**ACHIEVABLE:** Each goal should actually be possible for you to reach (no genie lamps here!).

**RELEVANT:** Your goal should make sense for your lifestyle and support other goals you've set.

**TIMELY:** Deciding when you will achieve the goal helps ensure you actually complete it.

### *How It Works*

So, how might the concept of SMART goals apply to your financial strategy? Here's an example of a goal that is not so SMART: "I want to make a larger contribution to my retirement plan." While this might be a good idea, depending on the hypothetical situation, it's not very specific, and you'd never be sure when you had completed it.

Fine-tune that idea with the SMART concept, and you'll discover that you now have something you can act on. Consider this alternative version: "I will increase my monthly retirement plan contribution by \$500 each month,

starting in January." This SMART goal puts actual numbers on the table. Now, you have a starting point, an amount, and a schedule.

No matter how SMART your goals are, however, life can still throw you a curveball. It is important to remain agile and flexible, should circumstances require you to change directions. How? Your advisor can help you create strategies that can stand the test of time. One real-life goal that illustrates the importance of staying flexible is working during retirement.

### *Example: Working in Retirement*

Many pre-retirees may have a goal of continuing to work after they retire. According to the Employee Benefit Research Institute (EBRI), 80% of workers intend to continue to work during their retirement.<sup>2</sup> However, a surprisingly large number of people end up going a different route than they expected: only 28% of retirees report actually working for pay during retirement.

Perhaps those who changed their minds encountered an illness, a family responsibility, or simply found a work-free retirement more enjoyable than they'd anticipated. Whatever the

reasons, the frequency with which this situation occurs underscores the importance of staying flexible and having a retirement strategy that can account for life's shifts and changes.

### *Keep Dreaming!*

The best retirement strategy is one based on SMART goals, but with the flexibility to change and adapt, if necessary. We encourage you to keep dreaming and scheming toward your ideal scenario and aim your goals toward what you'd most like to see come true. If you want to spend your retirement playing golf and traveling, strategize for that. If you're hoping to spend more time with loved ones,

use that to form your goals. If you're already in retirement and you have new goals you'd like to consider, let's talk about how we can work toward them.

Whatever this decade may bring, you can be sure that new risks, new opportunities, and new goals will be part of it. Together, we can work to ensure that come what may, you're prepared.

**SOURCES:**  
<sup>1</sup> <https://www.mindtools.com/pages/article/newstg107.htm>  
<sup>2</sup> [https://www.ebri.org/docs/default-source/rcs/2019-rcs/rcs\\_19-fs-2\\_expect.pdf?sfvrsn=2a553f2f\\_4](https://www.ebri.org/docs/default-source/rcs/2019-rcs/rcs_19-fs-2_expect.pdf?sfvrsn=2a553f2f_4)

WHATEVER THIS DECADE  
MAY BRING, YOU CAN BE  
SURE THAT NEW RISKS,  
NEW OPPORTUNITIES,  
AND **NEW GOALS**  
WILL BE PART OF IT.  
TOGETHER, WE CAN  
WORK TO ENSURE  
THAT COME WHAT MAY,  
**YOU'RE PREPARED.**





# KEEPING YOUR CASH FLOW STRONG

EVALUATE YOUR RETIREMENT IN 3 STEPS

Whether your retirement is just around the corner or years away, ensuring your preparations are in order can be the centerpiece of an effective retirement strategy. This is especially poignant when you consider that approximately 4 out of 10 households are predicted to run short of money in retirement.<sup>1</sup> So, how can you assess your approach? Read on for 3 steps you can take to find out.

## CASH FLOW IS KING

It's important to understand the principle of cash flow. Cash flow is the net amount of cash moving into and out of your accounts at any given time. The key word here is "time." Cash flow can be best understood through the lens of a given timeframe.

Keeping a close eye on your cash flow may provide you with a better understanding of your financial flexibility.<sup>2</sup> The biggest balancing act retirees face is "money in" versus "money out." Knowing this metric is central to building a strong retirement strategy.

There are 4 main types of cash flow to consider when creating a retirement strategy: the interest your accounts

“ESTIMATING EXPENSES AND CREATING A BUDGET FOR A LIFESTYLE YOU DON'T HAVE YET CAN BE DIFFICULT, EVEN FOR THE MATH WHIZZES AMONG US. LUCKILY, THERE IS A SIMPLE METHOD.”



accrue, the dividends you may receive, the capital gains you may receive from the sale of an investment or property, and finally, your original investment.<sup>3,4</sup>

## STEP 1 IDENTIFY YOUR RETIREMENT VEHICLES

If you've been saving and contributing to your retirement funds over the years, way to go! You may find it a helpful first step to identify and evaluate the strength of your savings from those years. Gathering this information can take a bit of effort, but it's an important undertaking. The list below is a good place to start, but don't hesitate to contact your accountant or financial advisor for help.

There are 4 general sources of retirement income in retirement:

- Social Security
- Personal Savings and Investments
- Retirement Accounts
- Continued Employment

## STEP 2 ESTIMATE YOUR COSTS

With your income sources in mind, it's time to think about expenses. Knowing how much you expect to spend in retirement is crucial to establishing a strategy that works for you. However, estimating future expenses and creating a pragmatic budget for a lifestyle you don't have yet can be difficult, even for the math whizzes among us. Luckily, there is a simple method that doesn't require a spreadsheet.

First, take a look at your current annual income. In general, retirees spend about 80% of their current income per year in retirement, so if your estimated pre-retirement income is a hypothetical \$100,000 a year, you can plan on spending about \$80,000 annually in retirement. Sounds simple enough, but you still have to budget beyond that amount. Think of your 80% as a place to start. This idea is for informational purposes only and should not be considered a substitute for a more comprehensive retirement strategy.<sup>5</sup>

Next, consider the factors that will come into play once you retire. Things like changes in your lifestyle. Will you travel more? Take up new hobbies that require extra funds? Remember to factor in your anticipated medical care costs. For a more precise estimate of your costs, consider repeating this exercise, but over a 3-year and 5-year time period. This may help you see how consistent your spending is, in order to further anticipate the costs you could incur in retirement.

## STEP 3 TIME FOR SOME MATH

Now for the fun part: you're going to compare your estimated costs against your scheduled retirement disbursements. At this point, you may come to the realization that your cash flow is less than your anticipated retirement costs. While it can be unsettling, this is valuable information that you can use to modify your strategy, with the help of your advisor. However, if you have been working

with a financial professional for a while, you may have a more positive outlook about what lies ahead. As always, we are available to help or answer any questions you may have.

## SAVE ENOUGH, WITHDRAW ENOUGH

With life expectancies growing, it's understandable that Americans may worry about saving too little for retirement or running out of money halfway through. But with careful preparation, you can allow for a well-balanced withdrawal strategy. Ultimately, the longevity of your savings comes down to two factors: how much you have saved, and how quickly you take money out of your accounts.

### SOURCES

- <sup>1</sup> EBRI, 2019 <https://www.ebri.org/retirement/publications/issue-briefs/content/retirement-savings-shortfalls-evidence-from-ebri-s-2019-retirement-security-projection-model>
- <sup>2</sup> Fundera.com, 2019 <https://www.fundera.com/blog/cash-flow-positive>
- <sup>3</sup> Morningstar, 2019 <https://www.morningstar.com/articles/800272/the-4-pillars-of-cash-flow-in-retirement>
- <sup>4</sup> The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation.
- <sup>5</sup> Fidelity.com, 2019 <https://www.fidelity.com/viewpoints/retirement/spending-in-retirement>
- <sup>6</sup> Investmentnews.com, 2019 <https://www.investmentnews.com/article/20190204/BLOG09/190209983/an-update-on-the-4-rule>
- <sup>7</sup> IRS.gov, 2019 <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-required-minimum-distributions-rmds>

One strategy is to only draw down the investment gains you experience and leave your principal balance alone. Another approach is to follow the 4% rule, which recommends that you withdraw 4% of your account balance in your first year of retirement, then increase your withdrawal rate each year to allow for inflation. So, a retiree with a \$1 million portfolio could take out \$40,000 in year one.<sup>6</sup> Keep in mind, this example illustrates the concept of the 4% rule and should not be considered a substitute for a more-comprehensive retirement strategy.

Keep in mind the Required Minimum Distributions (RMD) you must take in retirement. The Internal Revenue Service (IRS) publishes these to help determine the amount you should withdraw annually. The RMD tables

illustrate the minimum age one must be to withdraw from certain retirement accounts to avoid tax penalties.<sup>7</sup>

## HAVE A CONVERSATION

Whether you've been prudently tucking away your nest egg for years, or find the thought of tallying up all those figures overwhelming, it's important to keep the conversation open. Discussing the future with your financial professional can help you keep a clear picture of what lies ahead and get over any mental hurdles. Together, we can work toward a cash flow strategy that lasts well into retirement and beyond.

# PROVIDING FOR YOUR PETS

Everything you own, right down to that set of fancy golf clubs, may be part of your estate once you're gone, and a comprehensive estate strategy is crucial for multiple reasons. But a truly great estate strategy protects more than just your wealth: it also helps protect those you love, easing the stress they may experience upon your passing. For many of us, our non-human loved ones are part of the family. Let's take a look at how you can provide for their future.



## PETS NEED PLANS, TOO

While your animal companion enriches your life, they also rely on you for food, shelter, and general well-being. A thoughtful estate strategy can help ensure that after you're gone, your faithful friend will be cared for. Having a long-term contingency for your pet can also relieve stress for your human loved ones as they adjust to life without you.

You have several options for preparing your pet's future. A simple legal arrangement may be all you need, or a more complex approach may be necessary. Much like your investment strategy, how you approach your estate plan should depend on your financial and familial situation as well as the sound advice of your financial professional. Regardless of which strategy is right for you, here are some essentials to keep in mind.

## FRIENDS FOR FIDO & FIFI

The first step is deciding who will become your pet's caretaker.

Most people consider a family member or close friend an excellent choice. After you've selected a caregiver for your pet, you should have a conversation about what you expect. Although it may be a long way off, communicating about where your pet will live, what food and medicine they need, and other basic information may bring you great peace of mind.<sup>1</sup> Write down your wishes and store them with your other important legal documents.

## TRUST IN A TRUST

In most cases, a legally recognized will is the best way to ensure your possessions and wealth are handled properly. But pets are different. Since potential court delays or legal wrangling can put your pet's wellbeing at risk, many legal experts recommend establishing a pet trust ahead of time.

A pet trust is a legally-binding arrangement that provides for your pet should you become incapable of caring for them.<sup>2,3</sup> It also allows you to set up regular payments to your pet's

caregiver, to cover future expenses, like food, shelter, and medical care. Pet trust laws depend on the state you live in, but most pet trusts will continue for up to 21 years or the life of your pet. To learn more, the American Society for the Prevention of Cruelty to Animals (ASPCA) is a great resource.<sup>4</sup>

## CONSULT YOUR ATTORNEY

Attorneys who help with estate strategies may also assist in setting up your pet's trust. In addition to helping you select a trustee and ensuring the legal requirements of the trust are met, they can also help determine distribution amounts for your pet, based on health, age, and any instructions you want to convey to your pet's caretaker.

Whichever path you take to ensuring your pet's future, the best approach is to proactively communicate your wishes. An estate strategy that covers all your loved ones – be they furry, fishy, feathered or human – is the most loving legacy you can leave.

### Sources

<sup>1</sup>The National Law Review, 2019 <https://www.natlawreview.com/article/securing-your-pet-s-future-estate-planning>

<sup>2</sup>NOLO.com, 2019 <https://www.nolo.com/legal-encyclopedia/estate-planning-pets.html>

<sup>3</sup>Using a trust involves a complex set of tax rules and regulations. Before moving forward with a trust, consider working with a professional who is familiar with the rules and regulations.

<sup>4</sup>ASPCA.com, 2019 <https://www.aspc.org/pet-care/pet-planning/pet-trust-primer>



# A 2020 VISION FOR THE NEW YEAR

F E L O P Z D

D E F P O T C

L E F O D P

P E Z O L C F

As we reach the colder months, our thoughts may turn to resolutions. We promise ourselves to take on better habits, start a diet or fitness plan, or pursue old goals with fresh zeal. One of the most important resolutions you might consider is to take better care of your eyes.

Worsening eyesight can happen so gradually, you may not even notice it. The World Health Organization (WHO) puts the number of people who need vision correction at 1.3 billion. So, chances are, you may need it at some point in your life as well. Although most of that group is over age 50, the statistic includes people from every walk of life. But there is good news: the WHO also says that 80% of vision issues could be avoidable.<sup>1</sup>

While everyone is familiar with corrective lenses, such as glasses and contacts, to cope with changes in vision clarity, there are ways to give yourself the best chance at healthy eyes. Nutrition is a good place to start.

## Eat Your Fruits and Veggies (and Fish and Nuts)

Age-related macular degeneration (AMD), a condition that results in progressive deterioration of one's vision, is the leading cause of vision loss and affects many people over 65. Good nutrition has been associated with a reduced risk of developing AMD and may even slow the rate at which it progresses. So, what does that mean for you? Eating a healthy diet may help you maintain your eyesight well into your retirement years and beyond.

Leafy green vegetables, such as spinach, Swiss chard, and kale, contain lutein, which is beneficial to eyesight. Tuna, salmon, nuts, and avocados are all rich in vitamin E and omega-3 fatty acids and highly beneficial. Snack on fruits and vegetables rich in vitamins A and C, like citrus, broccoli, strawberries, and carrots. While it's never too late to start eating healthier, making nutritious foods part of your overall lifestyle may yield the best results.<sup>2,3</sup>

## Schedule Regular Visits to Your Eye Doctor

Seeing an optometrist or ophthalmologist annually has a number of benefits. Not only will your eye

doctor check your vision and keep your prescriptions up to date (reducing long-term eye strain), they can also perform a check for early signs of glaucoma. If you have diabetes or high blood pressure, eye exams are even more important, since those conditions can worsen eyesight over time. Regular eye exams are a crucial part of maintaining good vision.<sup>3</sup>

## Practice the 20/20/20 Rule

With all the time we spend looking at screens these days, eye strain has become a common occurrence. That's where the 20/20/20 rule comes in. Here's how it works: every 20 minutes, take a break and shift your gaze away from your computer screen for 20 seconds, preferably looking at something 20 feet away. Simple enough, right?

Here are a few more tips for taking care of your eyes.

- **Blink more often.**

Blinking helps to moisten the eyes and reduces the effects of strain.

- **Stop and drop.**

If your eyes feel dry, using over-the-counter drops can bring relief.

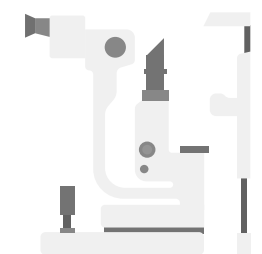
- **Invest in some cool shades.**

Excess UV exposure can increase the risk of developing cataracts, AMD, and even some forms of cancer. Make sure your sunglasses offer 100% UV protection. Your eye doctor can check them for you if you're not sure.<sup>3</sup>

Your eyes are your windows to the world, and you deserve a front-row view of everything the new decade is bringing your way. Why not look into some resolutions and practices focused on eye health? Who knows, you might just discover a whole new point of view.

### Sources

- 1 <https://www.who.int/news-room/fact-sheets/detail/blindness-and-visual-impairment>
- 2 <https://www.raconteur.net/healthcare/lifestyle-factors-eye-health>
- 3 <https://health.clevelandclinic.org/4-good-habits-for-healthy-vision/>



Legacy Advisors, Inc.  
310 Eastdale Circle  
Montgomery, AL 36117  
Tel: (334) 277-4370  
E: [legacy.advisors@lpl.com](mailto:legacy.advisors@lpl.com)

Securities and advisory services offered through LPL Financial, Member FINRA/SIPC and a Registered Investment Advisor. LPL Financial and Legacy Advisors, Inc. are separate and unrelated companies. LPL Financial does not provide tax or legal advice.

These are the views of Platinum Advisor Marketing Strategies, LLC, and not necessarily those of the named representative, Broker Dealer, or Investment Advisor, and should not be construed as investment advice. Neither the named representative nor the named Broker Dealer or Investment Advisor gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information.

**ON WEALTH**  
WINTER 2020 MAGAZINE