

# The INVESTMENT LETTER

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## Help! Financial Advice Beyond Investing

Investment Counsel recently conducted a survey of our clients, where we received important feedback on our services. Thank you for those completing the survey. The comments have been very positive, and we will be sending the results soon.

One purpose of the survey was to identify different areas of interest to our clients. Our clients told us that they were interested in: (1) retirement and education planning; (2) social security income; and (3) health care costs. Each person's situation is unique, but we wanted to give a general overview of these topics in this newsletter.

### Saving Stage vs. Withdrawal Stage

There are differences in how to view each topic depending on which "stage" the investor falls within. In general, investors can be saving or withdrawing money. The saving stage typically occurs leading up to retirement, when the investor is storing money for the future. The withdrawal stage is the time period when the investor begins to take distributions on the money the investor has saved.

### Retirement and Education Planning – Saving Stage

Those in the saving stage usually have some time to alter their spending habits to save for retirement and other goals. This is a good time to start planning for what type of retirement the investor wants to have (for example travel, new house, or other purchases). In addition to saving for retirement, individuals can also plan for education expenses for loved ones.

To help forecast different retirement needs, Investment Counsel works with you to examine current spending habits, help project cost of living in retirement, and project how portfolios will grow over time. We also help look at other financial goals throughout the process.

### Key Questions Answered:

- Am I saving enough for retirement?
- Am I spending too much now?
- How might my current assets grow over time?
- How much should I set aside for college for loved ones?

### Retirement and Education Planning – Withdrawal Stage

While in the withdrawal stage, investors are typically done adding significant funds to their portfolio – they are currently in retirement. Carefully monitoring distributions and spending habits is still critical for investors in this stage. This is also a good time to make sure estate planning is complete and current.

Investment Counsel works with those in the withdrawal stage to ensure they are spending appropriately in retirement. If you are in retirement and are thinking about purchasing a house or car, or want to travel extensively, we help project how these expenses affect other financial goals. We also work with you to look at the impact of different gifts to loved ones, whether for education expenses or otherwise.

### Key Question Answered:

- Do I have enough money to support my current lifestyle?
- Am I in a position to give money to loved ones and still be financially secure?
- Can I afford to help loved ones with educational expenses?
- How much can I expect to leave as an inheritance to loved ones or charities?

### Social Security – Saving Stage

Social security benefits represent an important part of income for you. Many in the savings stage have



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not claimed social security benefits. The age in which individuals claim social security benefits is important – the amount paid will increase the longer the individual can delay claiming social security.

Investment Counsel works with you in identifying the impact of claiming or delaying social security benefits. We do this by using the calculations and formulas utilized by the Social Security Administration. Our firm also works with you to fit this income into your retirement portfolio as a whole.

*Key Question Answered:*

- How does social security income factor into my retirement saving?
- When should I claim social security benefits?

### **Social Security – Withdrawal Stage**

Most in the withdrawal stage will have already claimed social security benefits. Once claimed, social security benefits are paid out the remainder of the individual's life and adjusted for inflation. We work with you to project social security benefits over the course of your life, factoring in inflation. Investment Counsel also stays on top of new developments in laws related to social security benefits to help guide the analysis.

*Key Question Answered:*

- How does social security income factor into my retirement saving?
- How much can I expect from social security over my life?

### **Health Care Costs – Saving and Withdrawal Stage**

Health care costs are difficult to estimate, regardless of which stage the investor falls within. Health care costs can come about suddenly, due to an unexpected illness or injury, or gradually over time. The total amount spent on health care will depend on the individual and the extent of health care. When working with you, we take into consideration different health care costs that may be incurred over your life. We do this taking into consideration previous health care treatment/costs and using projected estimates. Although we do not sell insurance products, we can help you evaluate different insurance options such as long-term health care insurance and disability insurance.

*Key Questions Answered:*

- How will health care costs impact my portfolio?

- How would an unforeseen injury or disease impact my family's finances?
- Do I need more or less insurance?

### **Conclusion**

Topics like retirement and education planning, social security, and health care costs can generate several questions. Sometimes, it is also important to know which questions to be asking. Many of our clients have worked with us on these topics already. For those who have not, we hope this newsletter provides a framework and starts a conversation that can ultimately benefit you and your family long-term.

If you would like more information about these areas of interest, please contact us directly. As Investment Counsel clients, you have unlimited access for any investment related questions or concerns and we are happy to help! ■

## INVESTMENT COUNSEL NEWS

### *Inside the Office*



*Based on popular demand, we have renewed the Kiplinger's magazine subscription for our clients.*

### *Outside the Office*



*Dorothy's granddaughter, Casey, will be spending the day in our office on Cinco de Mayo (May 5).*