



Investing your Lump Sum or 401-k at Retirement

Dear _____

When we approach retirement, we know we have a very important decision to make, regarding the handling of a lump sum distribution, or a 401-k rollover. I would love the opportunity to discuss your options with you. Simply said, I offer my clients educational, third party information to help them support smart recommendations, which they usually appreciate.

Consider the following points and questions, ...taken directly from a study entitled "Rational Decumulation," Wharton Financial Institutions Center Working Paper #06-14 May 2007.

1. Imagine sitting down on the day of your retirement to plan your financial future.
2. You know what your annual expenses have been and you want to maintain your current standard of living.
3. So, you consult a recent mortality table and find that if you've made it to your 65 birthday, you can expect to live to be 85 years old.
4. You perform a little calculation and find that, together with your Social Security monthly payments, you have just enough savings to maintain your current standard of living and spend all of your savings and future expected earnings by the time you die at the age of 85.
5. But, what if you live longer?
6. Will you be reduced to eking out an existence on Social Security alone?
7. Where will the additional money come from?
8. What if future investment returns are not what you anticipated at the start of your retirement?
9. These questions are increasingly urgent in America today. Forces are emerging, which make planning, to make sure you do not outlive your financial resources, even more important than in the past.
10. Old rules of thumb for spending your assets in retirement, called decumulation, need to be reconsidered.

Please call me if you are interested in discussing your retirement savings!
John Smith Retirement Planning

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