

The Rest of the Story

The number one goal behind everything we do at Epiphany Financial and Personal Economics Group is to help you become financially free. To give you the ability to master this scarce resource we call “money” and not become its slave. To achieve that goal, three things must be done:

1. You must understand how money really works and how to harness its power.
2. Action is everything. Knowledge without implementation is useless.
3. You must never become stagnant with education. The world around us is shifting rapidly and staying ahead of the game is key.

When we work with individuals, families and business owners, **we promise three things: the Truth, a commitment to never stop working FOR you, and to always bring you the highest level of economic planning available.** To that end, it is time to share some of the latest information available on income planning, the challenges we are facing in the market, and, most importantly, **how to adjust to win.**

To set the stage, let me ask a question – What is the goal of every mountain climber?

If you answered, “To get to the top,” you’re half right. The challenge with making it to the top of the mountain is that it is cold, lonely and there isn’t a Starbucks for miles. The real goal when you undertake that climb is not just to get to the top but to get down the mountain so you can share the journey with your loved ones. The challenge when your primary focus is on “getting to the top;” is that you pack your bags very differently than if you were focused on getting home again. As a result, the majority of climbers who die climbing the world’s highest peaks, die on the descent – they never make it home to fully enjoy the journey. This analogy is the same for retirement planning – it is not the way up that causes problems; the real problems start on the journey home.

In traditional financial planning, the primary goal is accumulation – getting to the top. We are told the goal is more money, higher rates of return and better products. The theory goes: the higher you get up the mountain (the more you accumulate), the nicer the ride will be on the way down. The problem with this traditional approach is that it is rooted in a world that no longer exists.

This traditional planning model no longer exists because it was based on the “three legs” of the retirement stool: (1) a great pension, (2) social security and (3) personal savings. In that model, since your only responsibility was personal savings, it made sense to focus on simply getting more. Going after more always meant more risk, but with two other very stable legs, if you ended up with a little less, no worries, it was all upside.

The challenge today is the three legs no longer exist. Only 19% of the working population has a pension and 16% of them work for the government. And with \$17T in debt and record deficits, the likelihood that Social Security will continue in its current form is tenuous at best. In essence, your entire stool is effectively resting on one leg and more likely than not, your 401k and/or IRA are your primary vehicles for “saving” for retirement. Since that one leg has to create and provide for all your needs at retirement, the pressure is on these tools is tremendous.

The second challenge is that with all your retirement income supported by one leg, you need a **lot** of money. In the current environment, not only is it harder and harder to accumulate large amounts of “safe” money, but that pot of money may not last as long as you thought.

According to the latest research from Wharton University, Morningstar and the Wall Street Journal, the traditional distribution plan of pulling off 7-10% each year of retirement is no longer viable. With the current market environment and artificially low interest rates, for a retiree to have a high probability of not running out of money, the safe withdraw rate is below 3% a year. This means for every \$100k in income, you need over \$3.3M in assets at retirement. In addition to the challenge of accumulation, for the next 25-35 years you have to hope and pray two things happen: inflation is zero and the market returns at least what you need to maintain lifestyle (ie: no down years). Unfortunately, you don't control either variable.

BUT WHAT IF . . . by working with us and knowing what we know, you had the ability to take more income, eliminate the fear of running out of money, and you had a more solid retirement strategy than 'hope and pray'?

Come hear the rest of the story . . .

Find out how we can combine what you are already doing with the latest economic analysis and strategies to produce more. For an average household 'more' typically means 30-50% more income at retirement with 50-70% of that income guaranteed for life.

We just worked with a 40-year-old husband and wife who were good savers and doing everything they 'should'. By simply shifting how they positioned their savings, and without changing their lifestyle, we recreated one of the missing legs of the stool, a "private pension." The result . . .

Traditional Strategy	Investments Only	Estimated Income	\$144,508 / yr
		Amount Guaranteed	\$0 / yr
PEG Strategy	Investments + Private Pension	Estimated Income	\$198,883 / yr
		Amount Guaranteed	\$169,040 / yr
		Increase in income	38%
		% Guaranteed	85%

While your story may look different, we have seen results like these over and over again with our clients. (Bear in mind, you may already have some of the components in place to create this "private pension.")

So what's next?

Book time for a review today and let's take a look at the rest of YOUR story. Let's see where you are today and what that can look like when you get ready to descend the mountain. We will see what small changes we can make today to make tomorrow a lot brighter.

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