

Retirement Reset with Sarah and Troy

Age: 60 and 58

Objective: Simplify finances, manage taxes, invest effectively, and create a sustainable retirement income plan.

The Story:

Sarah and Troy had been dreaming of retiring early and embarking on new adventures together. However, an unexpected downsizing at Sarah's company forced her into retirement earlier than anticipated.

While they were financially prepared on paper, Sarah and Troy felt uncertain about whether their current savings and investments would support their goals. The thought of running out of money loomed over them, making it difficult to enjoy this new phase of life.

Sarah wanted clarity: Could they afford to stay retired, or would she need to explore returning to work?

The Challenge:

Sarah and Troy are empty nesters with a modest lifestyle and a desire to travel extensively during retirement. They've even toyed with the idea of relocating to a smaller city with a warmer climate.

The couple had accumulated assets across various accounts, including Sarah's former employer retirement plans, Troy's IRA, and a taxable brokerage account. However, their financial picture felt disjointed. They didn't know:

- How to evaluate the long-term sustainability of their portfolio.
- How to withdraw funds in a tax-efficient way.
- Whether their investment strategy was aligned with their income needs.

Sarah and Troy wanted to enjoy retirement but were wary of making decisions that might jeopardize their financial future.

The Solution:

Sarah and Troy needed a comprehensive financial strategy tailored to their unique situation. While they wanted to delegate the heavy lifting, Sarah preferred to understand the reasoning behind key recommendations so she could feel confident about their plan.

The process began with education and clarity. Working alongside their financial advisor and CPA, they implemented the following steps:

1. Building a Financial Dashboard:

- Consolidated all their accounts and assets into a single, easy-to-read dashboard to provide a clear picture of their financial standing.

2. Tracking Expenses in Real Time:

- Developed a personalized expense worksheet and connected it to an app that allowed Sarah and Troy to monitor their spending habits.

3. Creating an Income Plan:

- Identified how much income their portfolio could safely generate each year without depleting their savings prematurely.
- Established a withdrawal strategy that minimized taxes by balancing withdrawals from taxable, tax-deferred, and tax-free accounts.

4. Structuring Accounts for Short-, Medium-, and Long-Term Goals:

- Segmented their assets to provide liquidity for immediate needs, stability for intermediate goals, and growth potential for long-term aspirations.

5. Adjusting Their Investment Allocation:

- Transitioned their portfolio to focus on income-generating and lower-volatility investments.

The Outcome:

With their financial plan in place, Sarah and Troy felt a newfound sense of clarity and security. They no longer worried about whether their money would last or if they'd need to sacrifice their retirement dreams.

Sarah felt confident knowing:

- Exactly how much they could spend without jeopardizing their future.
- Their finances were being monitored regularly and adjusted proactively.
- She and Troy could enjoy their travels and possibly relocate without financial strain.

Most importantly, Sarah appreciated that she and Troy were treated as partners in the planning process. Their advisor not only created a roadmap but ensured they understood and felt empowered by the decisions being made.

Conclusion:

Sarah and Troy's story highlights the power of a personalized financial plan. By taking proactive steps to simplify, strategize, and monitor their finances, they were able to embrace early retirement with confidence and focus on what mattered most: enjoying life together.

This case study illustrates how a comprehensive financial plan can turn uncertainty into clarity, allowing clients to transition into retirement with peace of mind.

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