

Phil (00:02.667)

Welcome everybody to Wealth and Wisdom 65. I'm your host Phil Galant and I'm gonna be here for you every Tuesday morning at 10 o'clock and I wanna welcome you to today's first show. I wanna let you know a little bit about the purpose of our show here on WCRN, Worcester's central station, knowing what you know versus what you wish you knew then. In other words, are you where you thought you would be?

Now you're where you thought you would be financially family-wise, health-wise, relationship-wise, and financial-wise. Our format on this show is going to be to help you think about what's going on in these crazy times and in these key areas of your life as you approach retirement or even if you are retired. Every week we're going to start with a financial topic. This is called our Thought Segment.

And the goal during the first segment of the show, the thought segment will be to ask you to look at some new and perhaps some old time-tested strategies for money from a new and maybe a different perspective. Now, I'm not here to give you financial advice so much as to help you think about money in different ways and offer you some food for thought on things you might be concerned about. You know, some of those things are tax planning, family protection strategies.

certainly income for retirement, planning for when your health changes. What's the scoop behind financial tools like mutual funds or exchange traded funds or bonds or annuities, life insurance, long-term care planning, Medicare, Social Security, even the income related monthly adjustment amount or IRMA. Some of you might be dealing with that and you're going to want to know how some of those strategies apply to you.

And we'll have some interesting guests sometimes from time to time to share their thoughts. Many weeks we'll provide you with a white paper summary on our website, Wealth and Wisdom 65.com. By the way, you're going to be able to go to Wealth and Wisdom 65.com and watch the episode because during the show I will be referring to some things I'm going to be doing on my computer and you won't be able to see them obviously on the radio, but

Phil (02:25.343)

If you'd like to see that, you just go to [WealthAndWisdom65.com](http://WealthAndWisdom65.com). After the show is ready, you'll be able to download, this is episode one, and look at what we're doing online so that some of this might make more sense to you. You know what? Some of the topics we'll discuss will come from my 20 years of experience in the retirement income planning area, where I've heard many stories from clients dealing with the same things you might be dealing with in your own life.

And as you get closer to retirement or are retired, you have a much different view of the way things have worked out for you and your financial concerns change as you age. I'll share real life stories that I've heard from clients and from my own experience and some thoughts about how these situations have impacted people's lives and how we may have been able to help them.

Our second segment every week is going to be called our wisdom segment. during the wisdom segment, we're going to provide some food for thought in many areas of your life. Some financial, some fun and interesting. Some are going to require some introspection, but there's going to be some helpful information every week. And each week we're going to post the visual side of the show as a podcast, as I said, and you'll be able to download a beautiful report, if you will, or a PDF.

about the subject at hand and you'll be able to download that report from the website that so you can use it during the week, read more about the topic. We won't be able to cover it all every week, but there'll be a lot more information. There'll be books, links to books and articles and other supporting materials to help you learn more about our wisdom segment each and every week. And there's going to be some fun topics. And then finally, our final section.

we'll wrap up with what we call the action segment. And during that time, that might be questions you can bring to your advisor, giving you some thoughts. If you have a financial advisor, I might suggest, hey, ask your advisor about this or that, or maybe you want to give us a call and ask us for our opinion or some for some more information about a topic that we covered on the show. And if you don't see it on the podcast version, you're welcome to give us a call and we'll be happy to help you. So.

Phil (04:47.431)

In other words, the point of this show is going to be to help you learn about money, learn some things about life, about some fun and more. And every once in a while, we may even have a little sports talk. If the Red Sox or the Bruins are having a great week or the Patriots, might throw my opinion in on that too. So as time goes by, hopefully we'll get to know each other and maybe you'll want to meet virtually.

During the winter, my wife and I are going to be snowbirds for the first time. We're in home Assassa, Florida until March. But I do have a great office at 71 Elm Street right here in Worcester. And so during this first segment, we're going to be talking a lot about money. And during this Wealth and Wisdom segment, we're going to want to go over some of the thoughts that you might be having about your retirement.

I'm going to ask you right now to pause for a second and we're going to take a minute for our first message. And that first message, have you ever thought about creating a life plan? When we come back, today's wisdom and wealth, today's wisdom segment, I should say, we're going to discuss what a life plan

is, the top 10 takeaways from the articles and materials we have, and maybe you want to put a life plan in place and we'll have some

material for you on the website that you can download and read and maybe get started on your own life plan. So don't go away. We'll be right back after this. Now I know that was too short. See you there.

Phil (00:05.559)

And welcome back to Wealth and Wisdom 65 here on WCRN. I'm Phil Galant, your host here for the new Wealth and Wisdom 65 show. As I mentioned during our opening segment, the second segment of our show every week, the what I call the wisdom segment, we're going to be all over the place every week talking about different subjects. And today's subject is one that I think is really important when you especially when you're getting towards retirement.

And again, you're going to be able to see what I'm doing here on my computer. If you go to wealth and wisdom, 65.com, you also have all of our contact information there. You can click on our get in touch with us a button and send us an email, whatever you'd like to do. But more importantly, what I'm going to be reviewing with you during this segment, you can download this entire report. It's a 21 page report on how to create your personal life plan.

It's also designed so that if you download it, you can listen to it as a separate podcast. It's about 17 minutes, little over 17 minutes. So it's your choice. You could download it, click on the listen button and listen to it. Maybe as you're getting ready for bed in the evening, or maybe first thing in the morning, if you're doing a workout or having breakfast. And more importantly, you can download it and read through it. And a life plan is an interesting thing because creating a life plan can certainly be a daunting task, right?

but it's an important step in helping you to achieve your goals and live a fulfilling life. You know, it's a road plan that outlines your values, your priorities, your goals, and helps you stay on track and make progress toward the life that you want. Without a life plan, you'll feel like you're moving through life without any direction. You know, you'll just focus on immediate concerns that are urgent and go through life, you know, reacting to other people's needs.

and desires. This is called a master's class in how to create a life plan and it's going to cover how to create that plan and you'll be able to take what you discover and get started on a life plan of your own.

So let's talk first about why creating a life plan is critical. Now there's several good reasons why someone should create a life plan. And again, you can download this at [wealth and wisdom 65.com](http://wealthandwisdom65.com) anytime you want and re-listen to today's show.

Phil (02:27.939)

A life plan helps you achieve your goals. So by outlining your values, your priorities, your goals, a life plan serves as a roadmap that helps you stay on track and make progress toward the life you want. How often have you thought about that? You know, these are the things you think about maybe when you're driving, when you're daydreaming, you're thinking, is my life on track? Am I doing the things I really want to do? Am I loving my life? How do I get

How do I get organized and figure out what I want out of life? It's a tough conversation maybe to even have with a spouse because the things that are going through your head, you've got to really kind of get them on paper and think about what you want in your life. So a life plan is going to help you identify what matters most to you and what steps you need to take to achieve your goals. A life plan helps you stay focused and motivated. You know what? It's easy to get sidetracked.

or lose motivation when you don't have a clear plan in place. A life plan helps you stay focused and motivated and it gives you a sense of purpose and direction. So, you you can break your life plan down into little tiny goals and motivations. I'm gonna share one that I've done recently. So I went through many years with a bad hip. Now I'm 67 years old.

And I'm sure there's many of our listeners who can relate to what I'm about to tell you. You you get that pain in your hip and maybe you work, you have physical work that you do, or maybe like me, you know, I used to be a runner. I used to live in Woonsocket at Rhode Island. I would run seven miles a day. And, but I was running on pavement. And one time I remember going to the doctor and he said, you know, some point you're going to need a hip replacement. Of course I was in my thirties, kind of blew it off. Well,

late 40s it started to really hurt and I love to play golf and that bad hip got worse and worse. I couldn't really make a good golf swing and eventually it got to a point where I really didn't enjoy playing golf anymore because it became too painful but I knew that I'd reached this point in my life where I'd want to play more and so I said I've got to go ahead and have that hip replacement because my goal was to get good enough at golf so that I could play in some of the

Phil (04:45.347)

senior amateur tournaments and you're have a handicap under 12. So I had to start with getting that hip fix, which I did in 2017. And I had what's called a Birmingham hip resurface, which I don't think they do anymore. But basically it's a less, it's a less, I would say, traumatic way to fix your hip. Anyway.

Now I can swing a golf club or at least I think I can swing a golf club. My buddies might tell you it's not very good, but I really love to play golf. And so once I got the hip straightened out and I got some clubs, some good new clubs, and I got joined a little course here out in the New York area, my next goal is to become a 10 handicap golfer. And the reason is, I said, I want to play in those in those tournaments. Well, I'm down to a 10.8.

And my buddies won't let me say that I'm a 10. And I guess I can't say I'm a 10. But when I was putting this together, I don't think it was part of a formal life plan. But it was something that I certainly would have put into my life plan because I play on Friday mornings in a senior league, play golf with some guys who are in the late 80s and early 90s, and they still hit the ball really well. It embarrasses me when sometimes I make a lousy shot and they

drive the ball past me. But these guys are in the 80s and 90s and they show up every week. And we have a great time playing in a four man scramble every Friday morning. And it's funny because it's a retired guys league, right? So when you get there, everybody's asking, hey, you know, how's it going? And one of the more common responses is everything hurts and nothing works. But it's one of my, it's one of my passions. I love, I love golf.

And so if I were putting together a life plan today, one of my, one of the pieces of my life plan would be make sure that I stay healthy enough to enjoy this until I just can't do it anymore. And joining a league with a bunch of older guys that are much older than me and playing well has changed my view on aging. It's really made me think, well, you know, I used to think when I got to 80, I'd be in a wheelchair and, know, kind of not able to do anything. And

Phil (07:06.917)

there are guys in their mid eighties playing great golf. And so now I have a whole different outlook on aging and it's motivated me to try and take better care of myself, watch my weight, stay in whatever shape I can stay in at this age. And I'm loving it. I'm playing a fair amount of golf and enjoying it. And that's what I mean by a life plan helps you stay focused and motivated. I've been motivated by that particular goal that I had in my life and it's really been a lot of fun.

Life plan is also going to help you make better decisions. You know, by understanding what your values are and your priorities are, you can make better decisions that align with what matters most to you. And this can help you live a more authentic and fulfilling life. And one of the decisions I made was to actually

let my wife play golf with me. And now she's as much of a fanatic as I am. And that's one of the reasons we're going to Florida. So our life plan is kind of coming together. I actually do enjoy playing golf with my wife, although I stopped trying to.

teacher, anybody who's played golf with their spouse knows the last student you should ever have or any student you should ever have is your spouse. So she's taking lessons and one of the things we're doing here in Florida is enjoying a round of golf quite frequently. And so it helped me make a better decision because before I may have just said, now I'm going to just play golf alone. And now we enjoy it very much together. And so it's also going to help you. A life plan is also going to help you manage your time and your resources. And again,

I want to remind you, if you're listening, can go to [wealthandwisdom65.com](http://wealthandwisdom65.com) and download what I'm talking about today. think you're going to really enjoy reading and or listening to this life plan information. It helps you prioritize your tasks, your activities, helps you make the most of your time, your resources. It can help you be more productive and efficient and free up that time and energy for the things that matter to you most. And another thing that's important is that a life plan helps you to adapt.

to change because as you know, life is certainly unpredictable and your plans will inevitably change. A life plan helps you to adapt and change and make necessary adjustments to stay on track and achieve your goals. So it's an important step for that. And I want to just go over a few steps on how to create your life plan. Here are some steps you can follow. And again,

Phil (09:32.495)

download this at our website at [wealthandwisdom65.com](http://wealthandwisdom65.com). This is episode one of Wealth and Wisdom 65 here on WCRN. And we're with you every Tuesday morning at 10 o'clock. I hope you'll be able to join us every week. Set a timer so that you remember to join us here on Wealth and Wisdom 65 and we'll have all kinds of fun information like this for you every week in addition to the wealth and financial part of our show. So a couple of things.

Take some time for yourself. Find a quiet place where you can relax. Take a few deep breaths. Clear your mind and focus on the present moment. Reflect on your past experiences. Think about the things that have brought you joy, fulfillment, and purpose in the past. I do a lot of work with folks who are retired or are thinking about retirement. And one of the main questions that I always have for them is, are you planning? What do you feel most alive doing in retirement? What do you want to do?

And there's a lot of folks who, quite frankly, don't know. Starting a life plan project might help you figure that out. And by the way, if you get an email from us, and maybe I can ask our guys to put another link,

we have a Reinventing Retirement booklet that's a book. It's 180 page book on what things you can do in retirement, reinventing yourself in retirement that goes perfectly with this life plan. And I'll make sure.

that we have that link on our website at [wealthandwisdom65.com](http://wealthandwisdom65.com). You also want to consider your own situation, right? What is most important to you in your life right now? What values and priorities are driving your decisions? And you're going to want to write those down and reflect on them and use your values and priorities as a guide. You want to create a vision for your life. That's an important step. Where do you expect yourself to be?

down the road, you know, when you go to a job interview, very often you'll, the interviewer will say, where do you see yourself in five years? And I know you probably roll your eyes when that question comes, but you know what? It's an important question to ask because how you see your life mapping out is critical, but getting a plan in place is gonna help you achieve those goals and dreams and visions. And you're gonna wanna set both short.

Phil (11:50.423)

and long-term goals. Creating a list of long and short-term goals is a really important step in creating a life plan and achieving your aspirations. So reflect on those priorities, set the long-term goals, set some short-term goals, and make those goals specific and measurable and achievable. Make sure the goals that you have are challenging but also achievable.

And you want to consider what you have in resources like time and money and skills that you have to help you achieve those goals. And of course, you want to make sure you know what your limitations or constraints you face, like health issues or family obligations. And this is going to help you create a realistic plan and make your goals relevant, make them time bound. In other words, set a set a time limit for what what goal you're trying to achieve. You know,

My golf goal, as I said, was to get to a 10 handicap this year. I got to 10.8 in my mind. I think I got close, I didn't actually, my buddies tell me I got to get under 10.5. So that means they got to give me an extra stroke until I get there. But I did have a time goal on that. And so every time I thought, well, do I want to play or do I want to practice? Having that goal made me practice more than play sometimes.

that really actually paid off. Think about your other resources, I said, your limitations, and make a list, create a timeline, do those important things. And if you're on the website at [wealthandwisdom65.com](http://wealthandwisdom65.com) and you're listening to a replay of the radio show today, you see me scrolling through the very thing that you're gonna be able to download. But I wanna get to a conclusion here on this and the top 10 takeaways.

So the top takeaways before we take a break, a plan is a roadmap that outlines your values, your priorities, your goals, and helps you stay on track. And remember that without a life plan, you're going to feel like you're moving through life without any direction. A life plan is going to help you achieve your goals and outline your priorities and your values and your goals in life. It's going to help you reflect on those values and priorities.

Phil (14:09.515)

Creating a vision for your life is an important step in creating a life plan. Creating long and short term goals is important. Establishing a timeline is important. Ascertaining your resources and limitations is also an important part of this. Staying accountable to your life plan is an important part of achieving your goals. know, many times we go on a weight loss. At least I've gone on a weight loss, weight gain, weight loss, seesaw most of my life and

But whenever I set a weight loss goal, which I'm in the middle of right now, I want to get it done by a certain date. And that really is motivating for me. So staying accountable is important. And then number 10, realizing that life is unpredictable and your plans will inevitably change. And that's why it's important to review your life plan. So I think this might be a good thing for you to do as you get ready for retirement. We're here to help you, if you want, create that future financially.

And we're gonna talk more about that when we come back after the break for our action segment. You're listening to Wealth and Wisdom 65, the Wealth and Wisdom 65 show here on WCRN Radio Central here in Worcester. And we'll be right back after this.

Phil (00:06.179)

And welcome back to Wealth and Wisdom 65. I'm your host, Phil Galant, here on WCRN, a radio central here in central Massachusetts and the great city of Worcester. And this is a new show. If you're listening for the first time, this is our very first show. And I just want to review again, for those of you who may have missed the beginning, this is a different show. Well, the purpose of the show is helping you to answer the question.

You ever ask yourself if I only knew then what I know now? This is that kind of show. I've asked that question of myself many times. Gosh, if I only knew then what I know now, man, you'd have made a lot



of different decisions possibly, or you could reaffirm some of the ones you made. But you think about that question and you wonder, you where you thought you'd be family-wise at this point in your life, wherever you're at? I work with a lot of...

retirees and pre-retirees, but not exclusively. So wherever you are in life, you ask your question, am I where I thought I'd be family-wise or health-wise or relationship-wise? And a big part of our show is the financial side of this, because we are going to talk about financial issues. But our format is here to help you think about what's going on in these key areas, as I mentioned earlier. And whether you're retired or you're approaching retirement, thinking about this, we just went through our

life plan section during what I call the wisdom section of our broadcast where every week we'll be talking about different life thoughts, if I can use that terminology. And the one we did today was creating a life plan. And that's our thought segment or our wisdom segment. The thought segment is sort of at the beginning of the show, we'll be tackling a specific financial topic and then we'll have our

wisdom segment and then we'll wrap up our financial topic. But I'm not here so much to give you financial advice as to help you think about money in different ways and then help you also think about life in different ways with the wisdom segment each week. So I hope you'll be joining us every week here on WCRN Radio Central and this is the Wealth and Wisdom 65 show and I'm Phil Galant, your host. So I wanna come back to our.

Phil (02:29.923)

our original topic and this is our action segment, right? And now that you know what the show is about and you have some idea of what a life plan is, there are a couple of things to consider to know if your financial life is lining up with your life plan goals, right? So before you retire, let's say you're in your 50s and you want to slow down, enjoy life a little more. For example, like I said, I love to play golf and maybe you want to play golf an extra day a week or you want to find a way to budget for a golf

a golf plan, if you will, for the summer and the spring and the fall. Do you budget for that? Where are going to play? Maybe mapping out courses that you want to play if you're into that or things you want. My wife is a quilter. She joined a quilting society. And you know how much is she going to spend on fabric and quilting? And she just bought this big quilting sewing machine that I can't believe what that cost. But she loves it. She uses it. She's enjoying it. She's fully retired.

So all of those things before you retire really helps to think about what do I want to be doing and figure it out so that when you get to retirement and I have many clients who are coming back to me and saying I want to go back to work because I'm bored. I don't know what to do. And so that's why we started this

week's wisdom section with creating a life plan. So, you know, if you're in your 50s and you want to slow down and take a little more time with your family, take a short break, you know, take a little

Maybe we can get away every week. What you really want to be is one of my favorite terms. You want to be free, tired, free, tired, right? While we're working, we're exchanging time for money. We're always exchanging our time for money. We give our time and skills to an employer and we get money in return. Being free, tired and like freedom, free, tired means that you're free any time to walk away from a job you don't like.

because you've got enough money, but you still want to work. You still want to be part of society in the workforce. You still want to do something that generates some cash for your lifestyle, but you don't absolutely need it. And you can be free-tired well before you are retired. And there's a big difference. Free-tired means you actually in the book, I have a book out on Amazon called Get Me to Zero, and I'll talk about that a little later. But in that book, I talk about the term

Phil (04:54.059)

In other words, you want the freedom from a scheduled work week or work day, but your financial plan has you stuck because you're going to be taxed or charged or pay some kind of fee. And so you're trying to figure out how can you be in the middle before you retire, but still working. So you need to do some finance, some things financially that could help, like, you know, review your savings and your CDs and your

your investments that are not part of your retirement plan. If you're under 59 and a half, it's always good to have liquidity use and control of another pile of money. And where can you put your money to get that liquidity use and control? You know, what's the status of your home equity if you own a home? Does that come into play? Do you have any non-qualified bonds? In other words, stuff outside your retirement plan that you're saving in or Roths, Roth IRAs.

It's important to really realize that not every asset has to be geared for use in retirement. In fact, I think that's one of the biggest that's one of the biggest mistakes that we've made as a retirement planning society is that we put so much money aside for retirement that we, you know, we wait till we retire to do the things we want to do. I'm to go on a big vacation when I retire or I'm going to go do this when I retire, when I retire.

When you're free tired, you have both time and money. Even though you're still working, you've loosened it up a little bit. You've got a little bit more time, a little bit more money. And now you can start doing the stuff that you thought you'd have to wait till you're retired to do, but you can do it now. And

you've got that freedom. You hear a lot of people who are retired and then they tell you they're working part time. Well, that's part of being free tired, right?

So it's important to realize that not everything you have saved financially or have set aside is going to be for retirement.

Phil (06:54.423)

You're living most of your life statistically before you retire. So I talked about, you know, being good at golf earlier and that was part of my life plan and joining that country club and that, you know, it's a blue collar club and all of that. And that's, I'm still working and I never planned personally, I never planned to retire because what I do is sit in front of computers and people and do this show and podcast and have a great time doing all of it. Why would I ever retire?

So I'm enjoying what I'm doing. I have a great team here at the Optimist Group, my company. By the way, we have a location here in Worcester at 71 Elm Street to meet with clients. And we're here every week at 10 o'clock on Tuesdays for the Wealth and Wisdom 65 show. We have our podcast at [wealthandwisdom65.com](http://wealthandwisdom65.com). So I'm involved in a lot of projects, but I also am blessed at my age. I'm 67. Have the freedom.

to go enjoy my passion, which is playing golf, as I mentioned earlier. So you got to compare, look at the money you're saving and have some of it targeted for fun now. Living a life now is part of living a life. Your life before retirement, in my opinion, should not be planning for another life later. It all blends one into the other. you know,

having a retirement lifestyle can still be a lifestyle when you're working, especially if you have a job with some flexibility. And most jobs do have flexibility. So living your life today is really a part of a good life plan and it's part of a good retirement plan. Being free tired, having some free time while you're still working that you plan to do recreational things with your family.

and plan to have fun on a regular basis, not just a two or three week vacation each year, but having some time to have some fun, maybe restructuring how you take vacations instead of taking a full week. Maybe a couple of times you take a Friday and a Monday and you have the weekend. You get a four little four day weekend and saving up to do or having having assets set aside so that you can do the kinds of things you want to do.

Phil (09:18.411)

and not have it hurt you financially as well. All of those are part of being free tired. Our advice, your advisors probably want you to put everything you can towards retirement. And I get it and you get it. You have a life goal. You want to live a good retirement, but you also have a life to live today. And that's why retirement is so important. And some of the things that you can own financially that will give you that kind of freedom are things like.

Savings accounts, old fashioned savings accounts. We're in a good interest rate environment right now. Savings accounts are paying more than they paid in the past. I love credit unions personally. Like having my clients use credit unions to save because credit unions are very much like mutual life insurance companies where the policyholders own the company. In a credit union, all the benefits have to go to the members. So.

kind of just a personal perk or if you have a good bank that you've banked at for a long time, that's terrific. But having some liquidity, meaning you've got access to your money and it's not going to kill you if you take money out of your account to go enjoy life today. That's part of living a good life. That's why we had the life plan segment today for our wisdom segment.

owning a good life insurance policy with cash values in it. I have a lot of life insurance because I grew up in that business and I have a lot of access to cash in my life insurance policy. that's how I buy my cars. That's how I finance some vacations. And then when I pay it off, I'm paying myself back. There's a whole strategy built around that. We'll have some many shows about the use of life insurance as a living benefit, not for when you die. And the reason that

people don't do it is nobody teaches them. And so we're gonna hopefully teach you a little bit about that. Does it make sense to have access to your home equity? You know, if you think of your home as a giant piggy bank with a slot in the roof, you're dumping those payments into your home every year. If you're in your forever home, and that's really the key, does your home offer you the opportunity to use it for cash emergencies? And is that smart?

Phil (11:30.147)

I'm not saying it is one way or the other, but it certainly should be on the table to think about. And then money that you just save and invest outside of your retirement plans. And certainly money that you have in a Roth IRA, you do have access to the money you put in before you're 59 and a half. You just can't spend the interest on that until you're 59 and a half. But you have what's called basis in that investment way before you retire.

These are all examples of financial topics that we're going to talk about, but knowing a little bit about this stuff now in terms of creating a life plan and thinking about becoming free tired before you are

retired really makes some sense. And if you haven't heard the whole show today, I want to encourage you to go to our website, [wealth and wisdom 65.com](http://wealthandwisdom65.com), and you will be able to download this, this broadcast and the materials that went with it.

and be able to follow what we talked about by seeing it as well. So I hope that this has been helpful. We're gonna take another short break and I hope that when you come back, you can feel like you've gotten something out of listening to this inaugural show of [Wealth andWisdom65.com](http://WealthandWisdom65.com) here on WCRN. We'll be right back.

Phil (00:06.457)

Welcome back to [Wealth and Wisdom 65](http://Wealth and Wisdom 65) here on WCRN, Radio Central here in Massachusetts. I'm Phil Galant, your host for the [Wealth and Wisdom 65](http://Wealth and Wisdom 65) show here every Tuesday morning at 10 o'clock on CRN. So today we've, I've introduced you to the show and we do have this on podcast. can go to [wealth and wisdom 65.com](http://wealth and wisdom 65.com) to replay the show and

see what I'm doing on the computer because some of the things that each week I'll be demonstrating some financial concepts. So I've talked today about introducing the show and then we talked about creating a life plan and the concept of free retirement. In other words, trading, arranging your life so that you have enough money and time to kind of practice being retired before you retire. And I want to wrap up here with some important

tax considerations for retirement because planning your tax situation for when you retired really has to start way before you actually retire. And this is something that can be rolled into your life plan on the financial side. I wanted to share this with you because taxes are the big thing that people come to me and complain about when they're talking about their retirement money.

So a couple of tax considerations. Number one, are you going to be in a lower tax bracket in retirement? you were told to save in an IRA and save in a 401k, and you wouldn't pay any taxes on the money you put aside, and you wouldn't pay any taxes on the growth, and you wouldn't pay any taxes on the money your employer deposited. then they said, you know, this is a great idea because you're going to be in a lower tax bracket in retirement. Well, I got news for you. There's no different tax bracket when you retire. All the tax

The tax, there's no special form you fill out or anything. The reason they tell you you're going to be in a different tax bracket is because they expect you to have lower income. And of course, if you have lower income, you're going to be in a lower tax bracket. But that shouldn't be the goal. You want to have the same or maybe more income. But you can be in a lower tax bracket. So the question is, will you be in a lower tax bracket in retirement? And the only way to find that out is to sit down with somebody, either your tax advisor or your

Phil (02:32.153)

financial advisor, certainly us if you decide you want to do that, and take a look at what you've got saved and so on and so forth because dealing with your tax situation and retirement needs to really be done before you retire. And to do that, you're going to look at what sources of income will you have and how might they be taxed. So IRAs, 401ks, 403Bs, Roths, many people say they purchased annuities. How are those taxed? not all.

tax the same way? Is there a place where you can get tax-free income other than a Roth? How do you set it up so that, in my book, get me to zero, one of the zeros is being in a 0 % tax bracket when you retire. And if you have time before you retire, it's usually the best time to do it, your money can be arranged so that you're not paying income taxes when you retire. And that's a biggie in my view, because I don't know about you, I think taxes are going up.

I don't care who is in charge in the White House or in Congress, until we stop spending ridiculous amounts of money, we got to pay for it. so taxes are going to be an issue. So you can plan to be in a lower or even a tax free tax bracket when you retire. So part of your life plan financial decision is how do you plan for that? How do taxes impact the drawdown of spendable retirement assets?

And by drawdown, mean, you're taking money out of an account to live on. What's the tax implication? So if you were needing twenty five thousand dollars, for example, to take out of your IRA, but you're in a 15 percent effective tax bracket, which means 15 cents of every dollar is having to go to taxes. You really need to take twenty nine thousand out to net twenty five. Well, you can arrange so that that doesn't necessarily have to happen when you retire.

When does it make sense to consider a Roth conversion? Again, part of the financial part of your life plan. Are there other sources or methods for creating tax-free income? You know, a lot of times people hear that, you know, the wealthy don't pay their fair share of taxes. Like there's some special lower tax bracket for the wealthy. I got a little secret for you. The wealthy leverage their money. So if you have an asset or many assets,

Phil (04:58.585)

that you can pledge as collateral, you can borrow money and use it as income if you want. And loans are not taxable. If you've ever taken a home equity loan, you know you didn't get a 1099 for that. That's really why the wealthy don't pay taxes, because they're borrowing their income from assets that they've accumulated. And there's lots of banks that'll let them do that. They have properties all over the world maybe, or they have companies they can leverage, or other assets they can leverage.

and they borrow against those assets and borrowed money that's not taxable income. So what other sources and methods do you have for creating the same tax-free income? You can plan for that before you retire. And you want to know if taxes are going to impact your legacy. If one of your life plan goals is to leave a legacy for your family, for your children, for your grandchildren, you don't want to leave them a tax burden, how do you do that? This is a tax

part of your tax planning on your life plan. And again, you can download this information and this podcast on wealth and wisdom 65.com and download the life plan booklet as well. But learning how to put your money in a place where you either are to pay no taxes or limit the taxes you pay and then helping to figure out.

Can I leave a tax-free legacy for my family? And then finally, what process do you use to put all that together? My company, the Optimist Group LLC, which we have offices at 71 Elm Street. And Worcester, you're going to be listening to me from Florida until April. But I will be back in April. And we see clients all the time at our location on the corner of Elm Street and West Street. I love it that I can.

drive right down West Street and go to either the Boynton or to the Soul Proprietor, two of my favorite restaurants here in town. I love it that we're located there and it's a nice, it's an old mansion. You can come and sit in the conference room and we can figure out what kind of tax problems you might be facing in retirement and what we might be able to do about it now. And that can be part of your life plan. And so I want to tie all this together by,

Phil (07:23.523)

telling you that if you want to meet and talk about this, it's very simple. You go to our website, [WealthAndWisdom65.com](http://WealthAndWisdom65.com). There's a Contact Us button there. You can watch this radio. You can see this radio show as a podcast because it will be posted on WealthAndWisdom 65 every week. And you can reach out and we can have a cup of coffee and Worcester here, or we can do it over the computer while I'm in Florida and figure out.

how you're gonna do this tax planning for retirement. And it'll be our honor to help you. I wanna remind you that we're gonna be here every Tuesday morning at 10 o'clock here on WCRN Radio Central. And our show is gonna be about not only the money part of your life, but also the wisdom part of your life, talking about lots of different things that we all need to be thinking about as we plan for.

another part of our life, which is retirement. But we also want to live the life we're in now. So I think our time is about up. I hope you've enjoyed this first edition of Wealth and Wisdom 65. Next week, we're going to talk about sequence of returns and compound interest during our wealth segment. Our wisdom segment is going to be all about negative thinking and how negative thinking might be impacting your life and what to do about it. Got a great book I'm going to recommend to you next week about this.

And during our action segment, which we just finished a moment ago, we're going to discuss some financial concepts to help you understand your risk in terms of sequencing your income and maybe some ways to think about handling that. So I hope you'll join us next Tuesday morning for our next show here on CRN Radio Central and on WCRN for the Wealth and Wisdom 65 show.

all of us from me at my office and Amy and Erin who are in my office in New York and come to Worcester as needed. I want to thank you very much for listening today and we hope you'll always have both wealth and wisdom before and after 65. Thanks for listening.