

## Taking Steps to Protect Your Lifestyle

# LIFETIME INCOME CASE STUDY

*Presented by Puplava Financial Services, Inc.*

Registered Investment Advisor

Greg Flowers

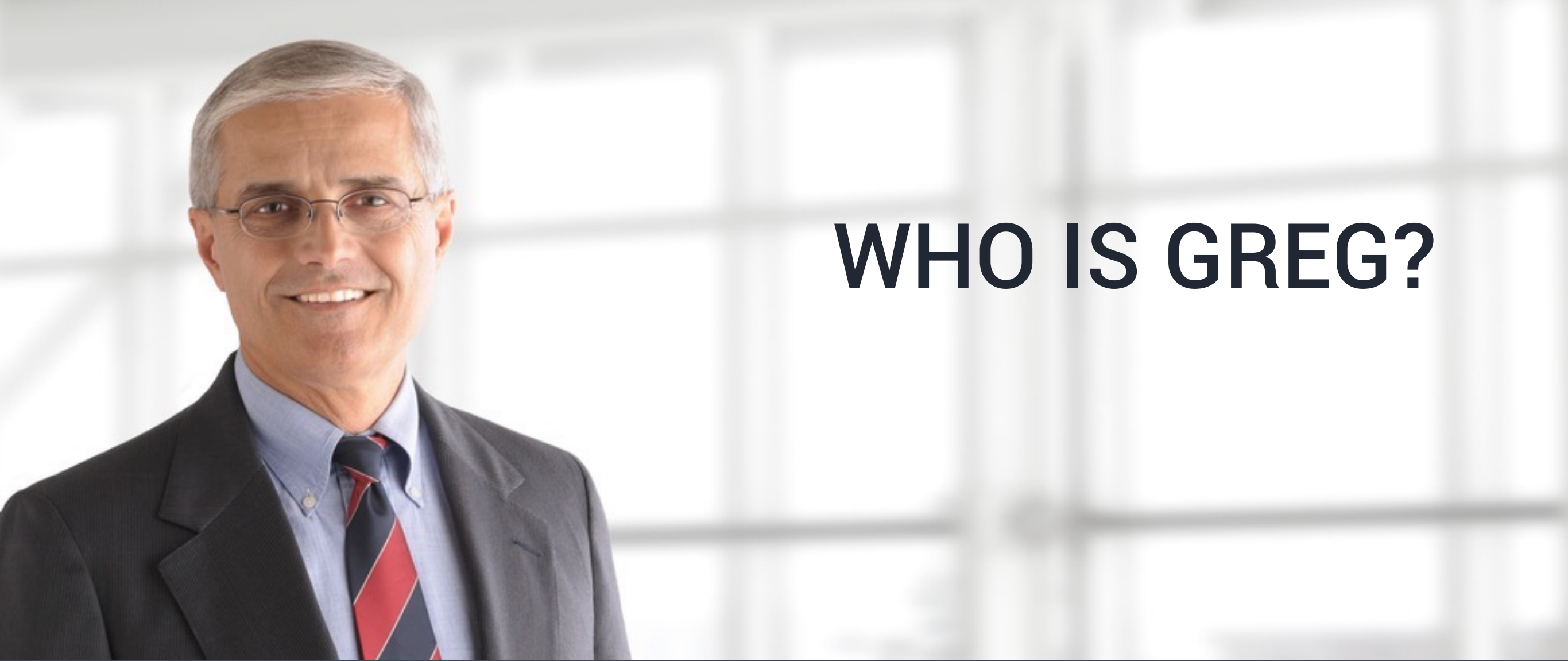
# Important Notice:

*This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.*

# ESSENTIAL INFORMATION

<b>Client:</b>	Greg Flowers.
<b>Age:</b>	Age 62.
<b>Retirement:</b>	Greg would like to retire in 5-6 years.
<b>Life expectancy:</b>	Age 96.
<b>Risk tolerance:</b>	Moderately Conservative.
<b>Investment objective:</b>	Income with Capital Preservation.





# WHO IS GREG?

**Name:** Greg

**Age:** 57

**Job:** Marketing Director

Greg has lived in Northern California his entire life and has enjoyed his career as a marketing director for a well-respected Fortune 500 company. Recently, he has become more anxious about his ability to retire given Northern California's relatively high cost of living. Greg has appreciated making a great income, however, the combination of taxes and costs of living have made it difficult for him to save as much as he would have liked. For Greg, retirement ideally means moving to a less crowded, quiet, and more serene place to live. He's loved the Bay Area and all that it offered him. However, now he is becoming more and more disenchanted about the area because he can't seem to accomplish his financial goals. It is very important to Greg that he is able to live the lifestyle that he wants. His dream is to own a home and not have to rent and be forced to live frugally in the expensive Bay Area. Greg is open to the idea of moving but is unsure as to where he wants to go.

# GREG'S CURRENT RISK STRATEGY

Most Conservative **1** - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - **10** Most Aggressive

***Current Risk Score***

**4**

***Portfolio Risk Score***

**6**



# WHAT IS IMPORTANT TO GREG?

**Buying a home**



**Mitigating taxes**



**Not running out of money**



**Not giving up lifestyle in retirement**





# GREG'S CURRENT BUDGET

✓ Essentials:	\$87,000
✓ Discretionary:	\$42,000
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	TOTAL: \$129,000
Greg's Salary:	\$168,000
Surplus:	\$39,000



# GREG'S RETIREMENT BUDGET

✓ Essentials:	\$81,000
✓ Discretionary:	\$36,000
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	TOTAL: \$117,000
Social Security:	\$34,000
Greg's Pension:	\$59,000
Shortfall:	-\$24,000





# GREG'S ASSETS

## Non-Investment Assets

✓	Non-Investment Assets:	\$0
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## Investment Assets

✓	Greg's Retirement:	\$510,000
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✓	Greg's Taxable Accounts:	\$286,000
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✓	Money Markets & Cash:	\$32,000
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<b>Total Investment Assets</b>	\$828,000
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Total Assets:	\$828,000
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Liabilities:	-\$12,000
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Net Worth:	\$816,000
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# GREG'S FINANCIAL PLAN CHALLENGES

1. Balancing a home purchase and costs of living.
2. Managing his expectations and helping him determine the best place to move to.
3. Managing sequence risks.
4. Handling longevity risk given Greg's long-life expectancy.





# GREG'S RETIREMENT INCOME STRATEGY

Greg's Pension	\$59,000/Year
Social Security	\$34,000/Year

## Investment Income

Greg's Retire.	\$510K	Fixed Income & Dividend Payers @ 3.2% <sup>1</sup>	\$16,320
Greg's Taxable	\$286K	Fixed Income & Dividend Payers @ 3.2% <sup>2</sup>	\$9,152
Cash Assets	\$32K		
Total Investment Income			\$25,472
Grand Total Income			\$118,472
Less Budget			\$117,000
Surplus			\$1,472

1, 2 & 3: Yields are for current portfolio yields as of 8/31/17. Please see disclosures at the end of this presentation for security risks.

# GOAL BASED RECOMMENDATIONS FOR GREG

Goal	Strategy
<b>Relocating in retirement</b>	Since Greg has a few years until retirement, we recommended that he take some weekend trips to visit areas that he may be interested in moving to. If Greg liked the location, we suggest that he spend a week or so there in order to help him better determine what area of the country he might like to spend his retirement.
<b>Buying a home</b>	Based on Greg's assets and depending on where he moves to, he would be able to afford buying a \$300,000 - \$400,000 home. The actual amount that Greg would expect to spend would be determined by the state's taxes and costs of living.
<b>Mitigating taxes</b>	We provided Greg some different states to consider that have lower taxes and lower costs of living but still provide opportunities for him to live the way he wants while retired. By leaving California, Greg would dramatically lower his income and property taxes. Lowering these costs would allow him to easily buy a home and live his desired lifestyle.
<b>Managing longevity risk</b>	We advised that Greg relocate to reduce the amount of assets that would be needed to fund his living expenses in retirement. We also recommended that Greg update his asset allocation to an investment objective that provides him with better income opportunities using dividend-paying stocks and bonds.



# Disclosures:

1. *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
2. *The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
3. *Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

# Puplava Financial Services, Inc.

Registered Investment Advisor

If you have any specific questions or comments, please give us a call at

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***We're happy to speak with you.***

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