Greg Sullivan

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Well, thank you for joining us today for the Career Speaker Series series brings to you the nation's top career authors who provide tips, tools and best practices you can use to create a successful career strategy. Hello, my name is Don photobomb, and I'll be your host today. And with me today is Greg Sullivan, author, speaker and an authority on retirement issues. Today, Greg will share insights from his experience and his book, retirement failed the nine reasons people want post work life, and how to ace your own. So in the next hour, you're going to learn very important information that will give you the confidence to handle your retirement years. Now have your pen and paper or electronic device ready to take notes. Click check the download option to gain access to resources that will help you use ideas as you learn about retiring. And ask questions you can submit your questions by clicking on the menu in front of you share your questions when you think about them, so I can share them with Greg. And we also want to remind you that this webinar is about you. You are invited to influence the program by offering your thoughts and how we can continue to be of support to your career. So click on the menu option it says give us your feedback. And keep in mind you can fill the frame of your computer with the presentation today by clicking on the cross arrows on the bottom right of the slides. And when you want to ask a question simply hit your escape key. So let me share some brief background on our very accomplished presenter today. Greg Sullivan is the President and CEO of Sullivan broyeur sparrows in Blaney and is a certified financial planner, professional public accountant and with more than 35 years of business investment management and financial planning experience, Barron's and National Financial publication has recognized Greg is one of the nation's top 100 independent financial advisors way back in 1991. He co founded as the SP his wealth management firm, and he provided financial planning and investment advice to high net worth and ultra high net worth clients in this partner sold that business to Harris bank, and later and in 2016 they repurchase the company. The firm currently provides holistic financial planning for nearly 900 clients and tax preparations for approximately 500 clients and manages over $3.5 billion in assets. He certainly knows his stuff. Greg's involvement in the financial planning and wealth management communities is well well established, is a member of the American Institute of Certified Public Accountants, and the Financial Planning Association. As an avid skier, cyclist and triathlete Greg is the father of two grown children. And he and his wife live in Alexandria, Virginia. So today, Greg is going to be your private consultant. And he's going to share with you his vast experience and tips he's included in his book, retirement fail, the nine reasons people want post work life, and how to ace your own. So join me in welcoming Greg Sullivan. Greg, thanks for joining us.

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Thank you very much done. I really appreciate being here. I'm looking forward to having this conversation with with everybody. Well, we've got a great crowd for you. Wonderful, wonderful, yellow with the title, retirement fail and what's going on in the markets these days, everybody's really gonna be wondering what, what I'm going to talk about, and you're going to be hopefully pleasantly pleased and maybe a little bit surprised. Most of our conversations not gonna be focused about the market. But the other things that other decisions that trip us up when we're looking at retirement or preparing for retirement. And it's a lot of fun. I mean, there's some really keys. I've been doing this now for 37 years. I'm as passionate about it today as I was when I get started and hopefully just a little bit more knowledgeable than I was when I got started. So, but Don, thank you for that introduction. I'm going to talk quickly, but I have an objective. I have an objective that I create awareness around issues that deal with your retirement, and how to have a happy, satisfying, successful, secure retirement. So we're gonna look at the areas that you need awareness. I want to talk about issues around communication and what we need to do to make sure we're communicating the issues right in the end, I want to have Have some action plan. I'm hoping that by the time we complete this, this journey together for the next 5060 minutes, that everyone will have a couple of action items that you're going to say yes, that's worth doing. So that's my goal. And we're gonna get started. What I always like to do is start, start where things really belong at the beginning. And not only just to say thank you to everybody who wants to participate here, but I have to thank this lovely couple that I have featured in this presentation. That is my mom and my dad. That's what I dedicated the book to. In the memory of my dad who passed away. It'll be 20 years in January, at the age of 71. Unfortunately, my mom is still with us. In fact, I'm celebrating her birthday with her this week. And but let me tell you about this picture. This is a picture of when my mom and dad got married. And if you look at my mom, you'd wonder Wow, there's a lovely woman. But guess how old she was when she decided to get married. So in this case, your She is 18 years old. She lived and grew up in a Hog Farm. Her dad was one of the largest hog farmers in the state of Illinois. She finished high school and said I'm getting out of the Hog Farm business, you went to the Chicago and crazy enough with one of her roommates and one of my dad's fraternity brothers, they got hooked up as a blind date. In this picture, my dad was at the University of Illinois, a finance major. He met my mom fell in love, or in lost I'm not sure was rich, but they got married two weeks later.

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What's fascinating is they end up doing well. It was a struggle, they had to quit school and went into a trailer live, they lived in a trailer for many years just to get their feet on the ground. And for children. I'm the baby of four, which I'll talk about a little bit later. So what's interesting is when I went to school, I became a CPA, my dad, my mom was proud of me, Oh, there he goes. He's gonna be a great CPA and the accounting world. But a couple years later, I said, Man, I don't want to do that anymore. I'm going to go become a financial advisor. I said, Well, my real passion is helping people with their money, helping people make investment decisions and financial decisions. So that's probably where I thought my passion was. So I called my dad up and my mom I talked to him about and I told that I said, Hey, I'm going to leave public accounting will be a financial planner. And he says, that's the stupidest idea you've come up with so far. I was about 23 years old, and I've had a lot of other stupid decisions. So I thought I don't think that's the case. But But he said to me, he said, Greg, he said, all financial planners I know are salesmen. He says all they're doing is trying to sell me something. And I said, You know what, Dad, I don't think it's quite like that anymore. But sure enough, I went off into the field, went to the first big conference, and everybody was a salesman, everybody was selling a mutual fund, a partnership, annuity and insurance policy. And nobody was really giving advice. I said, Well, I'm gonna make a difference, I'm going to be the one giving advice. So I started doing I was doing financial plans, I'd give it to the advisors who would then work with their clients, and then they sell them stuff. Like, well, that's not the way it needs to be, we need to be giving advice. So I did that for a few years. And then finally, in 1988, I said, That's not the way to do it, I'm going to set up my own company. So 30 years ago, in August 98, I started my own company, one of the very first fee based wealth management firms where we were just trying to give clients advice and be fair. So we did, I set it up to do financial planning, tax preparation and investment management services, didn't have any clients, I had three key staff, we build it up and slowly build it from there. It's been a fabulous journey. But what I've done over those years, I've learned a lot. And so having been in this business for 37 years, what I've learned is that everybody has a story. And we all have a story that we tell, and that we need to learn and make sure we understand what this story is about. It's about your hopes, dreams and your aspirations. And that what I have learned is that every single person, I don't care what your background is, I don't care how much wealth that you have, either be in a poor house, you could be in the extreme rich house. It doesn't matter. We all have hopes, dreams and aspirations. And most of those are built off of your values, your career, your childhood, your relationships. And so your history has a huge impact on what your future hopes, dreams and aspirations are. And what happens along the way, is we get tripped up. And so we think, Oh my goodness, I have these hopes, dreams and aspirations. How do I make them work? And so what I asked everybody to do is if you have a paper and pencil there in front of you. I want you to take this write this down and write down what is important to me in retirement? What is that hope and dream that I have in retirement? Then I want you to do take a little bit of time and write down what do I value? What is my what are what are real I real values and my beliefs that are important to me. And then I want you to take the next line and say, What is what are my hopes, dreams and aspirations? Now, I want you to start with the end in mind. It's kind of the Stephen Covey concept, and to begin to begin thinking about your retirement, but begin with the end in mind, what is it that's going to make me happy? Where is the happiness going to come from, and I'm gonna come back to that later on, I'm gonna talk about the two key aspects of what happiness is really all about. But if you can stop and think about the things that are important to you, when you're looking at your retirement, when you understand what your values and your beliefs are, and then you can think about what those hopes dreams and aspirations are, and you write them down, you literally need to take the time to write them down. And then you need to share them with somebody. Hopefully, it's either your spouse, or a partner, or a close friend that you can share them with, because part of it is creating the awareness to what they are. But the next piece is creating communication.

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So with all of that, we all have the hopes, dreams and aspirations. And we already know that, but what happens is along the way along the journey, we have things that trip us up. That is really what the book is about. My book is around the things that trip you up in your retirement that keep you from reaching your hopes, dreams and aspirations, or that cause you to disconnect from what your true values and beliefs are. And so what you really need to do is make sure you're aware of what these things can be, I have nine of them listed in the book. But inside those nine, there's a whole bunch of other little items in it, I'm going to share with you my key buying items. But also inside it, there's other ones. But what you have is the key concerns, they end up being around your children. And we all know that our our happiness is impacted by the happiness of our children. So the phrase that we're only as happy as at least happy child, that's a key. And so we tend to possibly overindulge especially with the wealth effect where we have the ability to, and so kids actually tend to, in many ways, slowest down, I have a thing with with the kids situation, as they say, you need to be prepared to have an exit interview with your children at some point in time.

And the point of the exit interview is that you stop and you say with your children, hey, look, it's time for you to make sure that you're moving on adequately and appropriately and independently. And here's how we're going to help make sure that you do it and that you do it successfully. And so taking the time to work with them and say, Look, what does it take for you to make sure that when you are finished with school, that you're going to make sure that you're independent, and we're here to help make sure that you're successful? And how are you role modeling that for your children? I have a great story where I had a client call me up, the client calls me and says, Hey, Greg, you know, I need to help out my son. He needs some money for his two children with their, their school and their college, private school and costs. And we need to help them out. And I'm saying, okay, and she says, Well, you can get me the money right away, can't you? I said, Yes, we can get you the money, we can help you out. But I said, let's take a look at this situation. I said, you have more than one son. So how do your other sons feel about giving this money for for their educated kids education? And she says, Oh, it's okay. He'll pay me back. So well, let's take a look at that. Let's let's think about that for a minute. Why don't we make it a loan? So that it's an official document that says he's going to pay it back and he's gonna have to pay some monthly payments and some interest to help offset that debt? She says, Oh, no, he'll be able to take care of it. Just once the kids are done, he'll be fine. I said, Yeah, but how did the other boys feel about it? And so she thought about it. She said, You know what, you're right. That's a good idea. So we actually put in a professional loan agreement for this son, and, you know, satisfied the child who got the money. It says By the parents they had it on. But most importantly, also satisfied the other children who were feeling like the son might be taking advantage of the parents. And so amazingly enough, if you really went back and looked at the story, this son who was not a son who was on the, on the deadbeat track or not working hard, the son was a very successful attorney, making a seven figure income, add two homes, a plane, and was very charitably inclined. And the issue ended up being what he realized was, Mom always wanted to make sure he was okay. So instead of budgeting and working around to make sure he had the money for college, he was doing the other things knowing that mom and dad would be there. And so it's not as though the person that he really planned he couldn't have been taking care of himself, he just chose to, to pull on his parents purse strings. In the end, both parents end up passing away not too long ago. And at the time of passing, it was $500,000 of debt that this child owed the parents had we not put it in a legal format, the other boys would have really been upset.

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The other children, the siblings, they would have all been upset because he would have taken additional money out of your state without any consequences. Now with that being alone, the state was easily adjusted, and took into account the fact that he got his inheritance a little bit early. So kids are an issue. And sometimes parents actually overindulge when they really can't afford it. And that's the bigger issue. I have a whole chapter on kids, I think it's really worth taking a look at. If you have children or nieces and nephews that you're you're trying to role model for and you want to help out. Other issues, relationships, relationships are absolutely key. I'm going to get to that later on as we talk about the key to happiness. But I have a whole chapter on divorce. And divorce is a totally unpleasant event. Not happy, generally. And sometimes, you know, it just come out of the blue. I had a client, they called me up, said, Hey, Greg, we're coming in to meet with you. We're looking forward to the meeting, but just want to let you know, just so you can prepare for it. We're gonna get divorced. And we just want you to help us through it. I was totally stunned by it. He was 72 years old, she was 69 years old. They were flying in to meet with me to talk to me about this. I'm thinking, this couple was really terrific together. I just really enjoyed being with them. I thought they were wonderful. But they grown apart. And that was their decision, the fastest growing population of divorce, or people over age 50. Fastest Growing even faster than that over 50 or those who are over 65. think there's various reasons why this is happening. I think social media plays a role on it. I think the wealth effect plays a role in it in a number of other items, plus the acceptance. But it's a serious issue. So I have a chapter on it. I think you need to think about ways you need to look at it. I think that's, that's important. And then you've got other issues like second homes and health issues and your identity. All of these come into play when you're in your retirement, you're really trying to think through what's important to me, like how am I going to make it through these different issues. Second Homes is a great one. Let me just take a minute and talk about that as an example. Because it's pretty relevant for most people, especially those who are the baby boomers. And that is that people oftentimes look at real estate as a great investment. And if you buy a home for a million dollars, and then 10 years later, you sell it for $2 million. People will tell me, it was a great investment, I doubled my money. But actually, if you really look at the numbers, and all the cost to buy a home, the cost to sell a home, the cost of maintaining a home, the cost for insurance and taxes and everything else, especially now with the real estate taxes not being you know, minimal deduction for it for federal tax purposes. You really have to take a harder look at it. In most cases. And in that example, the average rate of return on your investment, even though you sold it for 2 million, you sold it for twice what you paid for it. Your average annualized rate of return is typically around 2% or a little bit more. That's not going to get you to your retirement goal. So there may be other reasons that you own a home. I talked about that in the second home chapter. It's another reason to own a home, which would be, you know, just a lifestyle asset. And there's nothing wrong with it, if you can afford to have a lifestyle asset, it's wonderful, and you should do it. But I have a chapter, it's called the home away from home, I think you'll, you'll really find some of the data and the facts, just fascinating. I'll tell you one other story real quickly. And this is around the lure of the entrepreneur. And that that's an interesting one. Because the stories that we write most of the book is really stories, it's a very easy read, it's not meant to be heavy math and analytical issue is much more around the emotional decisions that people make that actually trip you up in retirement. So the lure of the entrepreneur is the situation and we see this regularly. And then is is that the executive of the company that he retired from, retires and gets bored.

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And so the person who's now sitting at home thinking about ideas, amazing enough, someone comes up with an idea, sometimes they come up with their own, oftentimes, it's a friend or a family member, the biggest challenge is when it's a child. And we have a great story in the book of this, his daughter, who came to dad and said, Hey, Dad, I got this great idea. I want to build this business to run the fashion industry. She loves fashion, she loved design. And so he said, Fine, you put a little bit of money in it got it started and added a little bit more. And then actually, the business started doing well. And so we continued to fund the expansion of the operation. And before he knew it, he had several million dollars invested in the business, the business is doing well. The daughter wants to go buy a home, the father said, Oh, yeah, we can help you with that. You're doing well, great business. So they buy a home well above her means. So that goes in and co signs for the mortgage. And then what happens is 2008 financial crisis. Not only did the real estate get hits, or like underwater, the mortgage was was worth more than the home. business gets hit because it's in the retail fashion business. So the business ends up closing the independent sales at home. And they're now out several millions of dollars. The next challenge, and that being with that is the relationship between the daughter and the father is stressed. And now the relationship between the husband and the wife is stressed. wife thinks the husband always is the hero that he can't make these kinds of mistakes. He was always a great businessman. So how did this happen? How do we lose these millions of dollars. And so the the stress that happens puts huge issues on health, happiness, and other issues that come about. So I just share that with you. Because I think it's a really important item. It's an important matter for people to be thinking about. Think about not about when you're making decisions, not just on the financial side of it, but the emotional side and the stress that it creates on yourself and other family members. So that's that that was a that was a hard one to go through. But it's not unusual. not unusual. people begin to think especially if you are successful in one career, there's this expectation that maybe you should be successful at other things. It's not necessarily the case. I gave a seminar not too long ago to a group of women. It was interesting. I asked the women I said, Tell me what do you what are you most concerned about in your retirement. And the number one item was relationships with their with their spouse. And the second number, the second item was around boredom. They were concerned that they just be staring at each other and saying Gosh, now what? Isn't that interesting? I asked them about their kids. It was interesting. They were all worried about their kids, but they were their expectation was they could help them out and how they were going to help them out and so we had some good conversation around that. So those are all become big issues that I talked about. couple items I'm not gonna spend too much time on but I think they're really worth taking a look at. I have a chapter called swindlers, Mark and it's really about all the issues and the ways in which people are are concerned and you know, being taken advantage of. When I talk to my clients, I share with them about this issue, I say to them, the number one area where people get swindled is actually not going to be through someone they don't know. It's not going to be through internet. It's actually the number one source of swindling is from someone you actually do know. It's oftentimes through a family member, or a friend, or somebody who's providing care. That creates the swindling. Unfortunately, and I hate to say it, it also could be the person who's advising you, financial advisor, I read about those all the time, I just shaved my head, it's hard to believe our business and our profession is such a trusting business. And, and people get swindled all the time.

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I'll talk about that, at the very end, I'm going to talk a little bit about the guide and who guide is and what you should be looking for. It's really a, you know, it's a sad thing to say, but you know, the cybersecurity issues important, I have a whole list in the in the book on things you need to think about with cybersecurity, and how you can prevent and how you can maintain a little bit better order to to that dealing with to code authentications and pass codes and usernames, things of that nature that you have to be aware of. There's good things in that. And I'm going to talk a little bit just if I can, I'll share a little bit of a chapter on health issues that people oftentimes overlook. And it's an interesting one, because it's a hard one. And the couple points I'd want to share with you is recognize that it's it's extremely hard on the caregiver, as well as the individual who has either the heart attack or the stroke, or the the Alzheimer's. Matter of fact, what I've experienced in my 30 plus years is Alzheimer's in strokes are the two hardest events to have inside the family. And oftentimes, because they can linger on for so many years, what I've seen happen way too often is that with the heart attack, or the stroke or the Alzheimer's, it ends up being the caregiver that just gets worn out. And not unusual to see that the caregiver actually passes away before the person who has the real health issue. It's really sad. And you can see what happens. And I always talk to my clients might we go through this, the importance of the caregiver to make sure they're taking time for themselves. They're still looking at their own health, they're making sure that they're getting breaks, they're making sure they're getting emotional and physical attention that they need. That caregivers just totally stressed out. Trying to handle and care and love the person that they've been with for so long, and now has to deal with a very difficult and challenging situation. So the health matters is important to some some ideas and in the chapter on things that you need to be doing to take care of yourself. There's some clues around what you should be doing and make sure you get the right type of health insurance, etc. I'll tell you a real interesting story. Before I fall into the last two items I want to talk about, and that is I had a prospect come into my office, this is a number of years ago, he had sold his business for $150 million. The paid off, you know a couple of small investors. He paid Uncle Sam his taxes, he still have a lot of money, obviously, in the bank account. It was referred to me by a classmate, college classmate of his wife who is an attorney and very successful in her own right. And so I had a chance to meet with them. And we sat down we went through all the different things they had going on in their lives. And we went through it they and they're obviously feeling very good about themselves. They're feeling very good about their finances. And what happens is I then said to them, I said, so what do you think it is that could cause you to fail in retirement? What what is it that even though you have this mind, what is it that's going to cause you to disrupt essentially the happiness that you might have in retirement. It's interesting to clients now and a client of mine. He chose us over goldman sachs and JP Morgan, primarily because he said, you had the courage to ask me about how I can fail. versus just telling me all these great things you're going to do for me. And he said, I still remember to this day, he said, there was four things that that reverberate in my head that I've always remembered. And that is, I've got to be careful with my kids. I can be generous, but not overly generous, and I have to be clear and communicate that we're gonna have it. He said, I need to watch out for my hobbies, and horses, don't have the spending areas that are going to be beyond what my normal means could be his health, somebody's got to pay attention to of course, since then, we've already had about cancer that we've had to deal with. And he said, in divorce, he said, Absolutely. He said, it's the most beautiful things that I tell my wife every day, how much I love her.

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And, you know, it's important to the relationship. But also, you reminded me that that's an important issue. So he had, he had his four takeaways. But what you're gonna do when you read the book, I hope is that you'll end up with your three or four takeaway, but hopefully, the awareness and the issues around it, we're going to make it make a difference for you. So let me get to, to the last couple of chapters I want to talk about, I'm actually gonna walk you through one of them. This is around life, unpredictability, there's a lot of issues in life, some predictabilities, people lose their jobs, it's unpredictable, then you weren't ready for it. How do you? How do you deal with it, I've got some good stories in the book about that. You have a good story around the importance of umbrella liability insurance, totally unpredictable event on a big cyclist, I cycled all over the world.

Unfortunately, I have a client who's also a big cyclist, I got a call a number of years ago, and inside of it, that she'd been in an accident, a bad accident, she was out riding with a group and a car came and hit her and killed one of the riders in the group, she was badly injured, lots of surgeries to go through versus to hide event. But fortunately, we've made sure that she had an umbrella liability policy. And people don't realize the value of the umbrella policy that that extends beyond your home insurance extends beyond your your care insurance in your home, your auto insurance. And that is that umbrella liability was a lifesaver for her financially. Without having it in place, she wouldn't have been able to afford all the loss issues that went on. And all the caregiving that she needed. Most of it got done through the health insurance, but a lot of it needed to come through in the extension part with the umbrella. But I suggest to everybody make sure you have an umbrella liability policy is tied in with your homeowners and your auto policy. That is that the amount of your net worth, your net worth exceeds 10 million, you can typically look at cap net at around 15 million. If your net worth is below that. But you're getting an umbrella liability policy. It's at the amount of your network. And that way you have insurance company that's going to help protect you and go to battle for you. If something unfortunate happens, that's an unpredictability. I mean, you go out for a bike ride, you just you can't predict it. You can say there's probabilities. There's probabilities for accidents, there's probabilities for health issues. And so you just need to have the right care and insurance in place to make sure they're happening. But one of the other unpredictability is is the stock market. We're all experiencing it right now. We don't mind the unpredictability when the markets going up. No one really appreciates the unpredictability when it starts to come down. What I like to say about the stock market is it's actually not so unpredictable. We know that we have business cycles. And as business cycles extend out, which this one has, you're gonna find is gonna be a period of time when these stocks are going to get hurt. And they're gonna be going down in price. And people say, Oh, you know, why is it also happening now and everyone wants to find that one excuse. The reality ends up being it's typically because the prices are getting too high. And the profitability is peaking or starting to turn down. Those two primary factors, it's not that much more complicated than that. So when the prices started to tumble and the prices get low, then people start to sell. And they didn't want to sell it when they were high and continued to go up. But as soon as the prices started going down, and then they get down, you go down 10 or 15% people start to say, Oh, I have to sell it should be just the opposite. And so people have to be looking at your work. polio a little bit differently than in. If you were just starting to say this is totally unpredictable, because it's actually not so unpredictable. And what I say in my book, I talked about my book that 37 years I've been working with clients, I've never seen a client that that had a retirement fail because their portfolio ran out of money. Just isn't the case, if you manage to do what I'm about to share with you. So I have a few slides I'm gonna walk you through, it gives you some idea about how markets really work, what you need to be thinking about. So this slide here, is taking a look at withdrawals. And what I want to be able to do, whoops, apologize for that. What I want to be able to do is I'm going to take a look at this, we have a million dollar investment.

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We have scenario a, scenario B. In both cases, you have a million dollars. In scenario a, you have rates of return that started out positive and then negative. In scenario B, you have just the absolute opposite, or the negative returns are first and new and positive. When I asked people what would be the difference, like which situation would you have a better outcome. Almost everyone says scenario a is going to be a better outcome because he started out better you growing your portfolio better. But as you can see here, with the ending balance under both scenarios, under both scenarios, you end up with the exact same position $1 million goes to $1,117,314, there is no dollar difference. If you look at internal rate of return, it would be different. But I don't think we care about the internal rate of return as much as the cares how much is in our pocket book. Now, if you had to bail out early, if you got afraid early, then you did see a significant difference. You can see there at year three, scenario a has 1.3 million. Scenario B has 846,000 as a painful difference. But what happens in these cases is you can't predict necessarily which order your returns and income. And that's my whole point. You don't want to have to be predicting every year, which way the markets going to go or you enter a URL, if you can do that on a regular basis, better than 99.9% of all investors. But that's a real rare case. Now I want to take a look at the exact same scenario, look at it from a withdrawal. So it's the same thing, I have the same rates of return in scenario a and in scenario B. But now I'm in withdrawal $40,000 each year. And so what happens is scenario a, I end up with a better outcome. And that's because in the early years, I'm withdrawing money against my profits. In scenario B, I'm withdrawing money against my capital. And so it's difficult when you're drawing down against your capital during a downturn. As you can see here, where we have a 6% loss or $61,000. compared to if we started out a better return the IRS. But what I say to my clients is do you want to guess which one those are you want to have to guess which situation you're going to be in? If you want to look out the next five years, are we going to be in the three negative years and then two positive? Are we going to be in a couple positive years and then three negative? Anyone who thinks that they can answer that question? should write a PhD on it because they'll get a Nobel Prize. But you can't answer that question, because there's too many variables that come into what the answer is. So we say to our clients is, let's recognize that rates of return are gonna be variable. It's recognized that markets do go down that markets have cycles. And that's saying that we don't try to help our clients by adjusting to times like this. And we do we take our clients, we start saying, hey, look, it's long in the cycle, we're going to reduce our equity risk, and we can manage around it, but that's just a risk tolerance issue. It's not trying to play the market, we're just saying we're gonna make that adjustment. That's going to be our game plan for the next couple of years. But what we also do is we focus on your cash flow, because we think that the impact of your portfolio's around your cash flow. And so what we do is we work with all of our clients and we say, you need to look at your portfolio and your lifestyle based off of two funnels. Rule number one is your income funnel. And this is your Social Security, your pension, any annuitized income you might have any salary, maybe you're still receiving it might be part time, full time you haven't retired yet. And so that's your lifestyle. And so if that's enough to meet your income your your lifestyle needs, then that's great, that add excess money to your investment funnel, which is funnel number two. But if you still don't have any excess cash, you need to draw from your funnel. Number two, we have a rebuild for our clients is we build a portfolio based on income need, based on growth.

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And so if I needed that $40,000 a year, I would have in my income assets. So in my secure bonds, I would have eight years of income need. So if I was drawing 40,000, I would have $320,000 in that bucket in bonds that I can draw down from, and that would leave me with 680,000, I could put in my gross assets, which might be stocks or real estate or commodities or other things that I want to have it tied by growth bucket. And the reason I have the eight years is because most business cycles on the downside, then not last longer than five to six years. So I have a buffer factor in there. So that if we were on the downside, we don't have to draw against the equities, which we saw is very painful and hurts your portfolio and the prior slide you draw from your bonds. When you go through the downturn in the market, you don't have to sell your stocks. And so if you can follow this method, if you can recognize that you've been, you have your income in funnel number one, any excess income that you need comes from the fixed income side of your funnel number two, if you can follow that you should not ever run into a retirement fail on your portfolio. You can also use this to measure whether you truly are financially independent. If the eight years are the fixed income assets are more than 50% of the overall portfolio, then you're most likely not financially independent. If it's 50% or less, preferably less, we'd like to see it typically at 30 to 40%, then your finance, we should be financially independent, the portfolio should be able to reproduce on the growth side, all it has to be able to do typically is reproduce at a 4% total return. And that means that 4% you get two to two and a half percent off of dividends. And then you can only move one and a half percent from growth. Over the long term averages, you should see about a 9% growth on the asset side with interest, dividends, and growth of assets. And on the income side, you should be able to expect a three to 4% long term return. If you can do that, you'll be able to be financially secure. And then the the unpredictability. And I talked about it in the book, the unpredictability of your equities should not disrupt your retirement. And take that fear away. Doesn't mean that we still don't get upset doesn't mean we don't feel fear. That's the key to more successful financial assessment and making sure you're properly prepared. Now I say that when I'm talking about the growth assets, I do strongly suggest that the abroad a diversified portfolio clients who have in their growth assets, they have two or three stocks, or it could be a significant risk. I talked about in the book, Cisco, that in 1999. Every client was coming on my door saying you need to be buying Cisco, Microsoft and Intel and a few others. They were the darlings they were hot, they were big stocks. Cisco at the time at a PE which is a price earnings ratio where you value stocks of 300 the stock was at 80 moved up to 90. And then within a year and a half, it's still 90% is down to nine that kind of impact is devastating on a portfolio. So it's not bad to hold the stock. You just don't want to have an overwhelming work and actually totally disrupt your financial life. So with that, I take it to the next level and I say a whole chapter on how do you enjoy retirement because you want to make sure you enjoy it before it's too late. You don't want to be in Venice on a gondola falling asleep, you can't even stay awake. And there are things that you should be thinking about. And what happens is, I talked about in the book that in retirement, people especially, it really creates a little different pressure on when you have a different money personality, especially if you're married. So spouses tend to look at money differently. And it really resonates, it really comes out

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stronger when you retire, because you have more time to be thinking about it possibly more time and options. And so oftentimes, you have one spouse who wants to hoard The money is afraid of spending and the other spouse who says, hey, let's go enjoy life. And you need to have a way of getting through that talking it through. But we really encourage you to think this part through as well. What is it that you really want? What's important to you? What do you value? What are your hopes, dreams and aspirations? And how does that come into play when you truly are retired? And so now that you've written those down, you can start saying, okay, with the end in mind, here's how we're gonna try to do it. So you have a certain pool of assets that we just talked about, is it going to be enough to allow you to enjoy retirement? Oftentimes, the answer is yes. Now the question is, how are you going to do it? I talked about that a little bit in the book. So you can have conversation around the things that really matter to you. So I'm going to ask you to do two things. I've already asked you to write down the things that you have as your values and what's important and your hopes, dreams and aspirations. I'm now going to ask you to write down what your financial concerns or challenges are. Take a look at that the graph that I had with the kids and relationships and stock market and other items, write down the ones that you think are your challenges. And then I'm going to ask you to write down next to each one of those who would be helpful to have a deeper conversation around that issue. Who is it that you should talk to, to help you think about that a little bit more. And then thirdly, we're gonna get to the enjoyment side. What is the plan of action, you're gonna have to have the happily ever after retirement. And I say happily ever. It's an interesting thing that what we have learned over the years, is that there's two main things that every single person is looking for. If we were in a room today, I'd sit around and look at every single person. And I would ask every single one of you. What are the two most important things? And what I end up finding out, everybody stops and says, Oh, that makes sense. Number one item has happiness. The number two item is security. Think about it. What's important to you. If it's happiness, what is that going to mean? If it's security, what does that mean to you? It's going to ask you to want to write down. What is it that is important to you and happiness. What's important to you with security, because it all ties in with the challenges, your hopes, dreams and aspirations. Whether it's interesting on the happiness side, because there's been a lot of studies that talk about happiness. And there's two things that are most critical to people being happy. Number one is healthy relationships. That's what your spouse, or your partner, or your children, or your best friend, and those relationships aren't healthy. When you are not feeling good about how that relationship is working. You are not going to be a happy person. It puts stress in your life. It makes things unpleasant. So you focus on what is it that you can do to create healthier relationships. But as you can do to create a healthier relationship with your spouse, your partner, your children. Think about that. You can write some things down. The second thing around happiness besides the healthy relationships. The second big item for for health for happiness is gratitude. And I know when I get into situations where I'm feeling stressed or not feeling like I've got things under control, really stop. Take a deep breath. Think about my day. And I think what am i grateful for today, I'll think about My wife, about my kids up in Europe my job, okay, but my health, there's so much to be grateful for. There's so many people in our lives that we can be grateful for. And so what I'm going to ask you to do is one more sad, really like, I think you're going to find it so valuable. And they asked you to write a thank you note,

50:30

I want you to write a thank you note to somebody that's been meaningful in your life, done something for you. Just gave you a smile that lifted your day. And if you did get comfortable in writing that Thank you Now, I would challenge you to see what it does see if it makes a difference in your life. Over the next 30 days, every morning, or every evening, whatever works for your schedule better. You sit down, you take 60 seconds, it doesn't take more than that. You sit down, you take 60 seconds, and you write somebody a thank you know, it's gonna be so powerful in that other person's life, and in your own. And then lastly, I want you to think about you need a guide to guide you through any of this. This is a picture I went took a trip down the Grand Canyon, this is my guide, I'm sitting in the back of this boat. It just a beautiful day, guiding us through these beautiful calm waters. But what you don't know is right around the curb, turn up there is the rapids. And it was fierce. And we were holding on. And fortunately, we had the guide to take us through it. I recommend that everybody stop and think about who is guiding them through it. If you're guiding on your own, make sure you have the right people around you to have conversation with it to help help. At least being your listening board, someone that you've been talked to and open up with. I think in most situations, especially when it comes to finances, which become very emotional, it's more the emotional issues than it is the financial, you need somebody that you can turn to and talk to throughout that process. That's what we do for our clients. In essence, I tell clients, we're guiding you through the process, we're guiding you through the emotional as well as the financial aspects of your life. It helps to have a guide. So think about whether that makes sense for you. And then lastly, think about your happily ever after. What is it that's allowing you to dance on the beach? What is it that's allowing you to just enjoy life, to laugh, have fun. You know, finances is a serious business. If we can simplify it, organize it, I think you'll enjoy it all the better. But do me a favor, think about the aware of the issues. Talk to people have good communication around it. And think through the action items break down. What's important to you write down your values and your beliefs. Write down your hopes, dreams and aspirations. use that as your endgame. That's where you're going to go. Then sit down and think through what the challenges are that could trip you up along the way. I wrote a book about it, eight great chapters that talk all about the items. My ninth chapter is about the happily ever after how you can really enjoy it. So then I have a chapter in there how you can find the right financial advisor. If you need a guide, take action, do something, have a plan? Write down those that you're grateful for. send a thank you note. Have a wonderful time. Don, that's that's what I had to share. I hope people leaned a couple of good ideas out of that, and willing to open up and take any questions you might have.

54:17

Oh, Greg, thank you so much. Little did we realize that we'd have an assignment from you today. But suggestions to write down our hopes, dreams, aspirations and what our financial concerns are. It's things that we just don't think about as we get closer to our retirement years. And obviously, you've learned a lot through your clients to

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Oh, absolutely. I mean, the client experiences their wits about and that's why I say that's why I wrote a book that's not so much around the finances, but around the emotional aspects of it the decision that people run into, and that they they just don't have the awareness or they don't have the deeper conversations and if they do, oh my gosh, it'd be so much better. Warren

55:02

Yeah, you're so right. And you're right on with, with what you're talking about, because we hear so much about the financial aspects of going into retirement. But there's the spiritual, the emotional, the psychological, the physical, entrepreneurial aspects of going into retirement, we just don't get into and you've touched on a lot of those I particularly loved your discussion about having an exit interview with your children, I wrote a book called the unemployed grad and what parents can do about it. And within it suggests parents have a contract, they sign with their son or daughter that's going to college, because colleges don't require their kids to invest their time in learning, job search, career management, and post graduation kind of skills that they're going to need. So just like you were saying parents tend to go, I don't need to do that Donnie will be able to figure that out. No, Tani won't. And so you touched on a lot of great points that parents need to be thinking about, we're running out of time, out of all of the trips, that you were sharing the trip up points, which are the ones that you see most frequently.

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Kids is probably the largest, the most frequent. And the reason is, as I say, is that parents want to have that healthy relationship with their children. And so they tend to want to have this under they, they're my best friend. And nothing wrong with being a best friend with your child. But sometimes you got to recognize that taking care of all their needs, and helping them out all the time, it's probably not worth that. I believe the statistic I have it in the book is around 34% of children between the ages of 18 and 36, are still receiving significant support from their parents. And so look at look at that, I know, think about that. And what I end up seeing is that children of parents are in their 40s and 50s. And still asking for support. And the parents tend to do it because they have the means to do it. Boy, I tell you what it's not it's not a healthy situation, that relationship. So that's probably the number one I don't think divorce just happens. And you know, that's that's part of a life event sometime, you know, I think sometimes give prevented, and in some cases, we've helped people, I have a great story where, you know, we helped some clients become transparent and open. And you know, what, their marriage ended up coming back together. And it was great. So that's a good one. And then the second home, people always find of interest because most everybody's either been there done that. And so they have the challenge of having to say, Oh, my gosh, maybe it's really not the investment I thought it was going to be

57:54

makes a lot of sense. Now, what could a parent say to a son or daughter? Who is asking for financial help? It seems like you've been in a position where you've kind of helped individuals pause a minute, but what would you say to Fred, who's on line with us today, whose son or daughter is is interested in or needs to borrow $30,000 for an entrepreneurial project?

58:22

Yeah, and so I don't want to discourage that. I just want to make sure that there's guardrails around it. I don't want to say hey, child has a good idea. And I just had this with with the parent. They said, Hey, your son's graduating, he's got this idea on a startup is a tech company and we want to help them I said, Okay, what are the guardrails? You're going to put up? What is the framework that you're going to say to your child, okay, here's what we're going to give you. I said, you know, give it with the expectation, you're never going to get it back. Don't make it that this is an investment, because part of what you want to do is make sure you're maintaining a strong relationship with your child. And this is, I've seen this divide families. And recognize there's other children involved, typically. So the other siblings are looking at and saying, whoa, why are you giving, you know, Donnie a gift and not may or all we're helping to invest in this company? Well, if it doesn't do well, I'd like that gift. So why don't you give me the money too. So you have all these family dynamics that go in so you really have to put the guard rails up, you have to recognize the other children balls, and have a game plan. I mean, if you're going to go that direction, create a business plan that has clarity to it and understand why the money is coming in and what the expectations are.

59:42

Makes a lot of sense and, and having that exit strategy of this is as far as I won't be able to go in this. So I just want you to know, because it'll be so tempting for the parent to keep adding that in and then getting into financial trouble. He shared with a couple of stories.

1:00:02

Right? Right. And I mean, it's a heartbreaking story. The one is a family just that totally destroyed through it. And, you know, the wife lost trust and respect and her husband, and that's absolutely key in the relationship. daughter was, you know, embarrassed and frustrated. And the husband was sitting there saying, gosh, I'm out a few million dollars now. Still okay to be financially independent, but not at the level they were before they went into it all. So everybody got it was a painful experience for everyone in that case.

1:00:36

Greg, unfortunately, we've run out of time, you've taught us tough love and some really great ideas today.

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So glad to share it with you. It's a it's a it's a great journey to be on. I hope. People get the book, I hope they find it valuable. And they get an insight. You know, most everybody I'm hearing from has learned something from it. And what's interesting is so many of my clients who are in the baby boomers have given it to their children to read. And the children are learning from it because there's ideas there for everybody.

1:01:11

Really great idea. Greg, we wish you well as you continue to carry your message that transforms lives. To our audience. Thank you for taking the time out of your busy schedule to join us today. We certainly encourage you to pick up a copy of Greg Sullivan's book, retirement fail the nine reasons people for post work life and how to ace your own. Take Greg's challenge also to write a thank you note. I think that's a wonderful suggestion. He's gonna and you will brighten up many lives by sending thank you notes. And we thank you for your continued investment in your career. We encourage you to stop back to the career community and watch on demand lectures by authors who will share additional tips and strategies to help you advance your career.