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New York, NY | **Leading Wealth Advisor**

Beacon Wealth Management

Mark S. Germain, CFP®, MBA, Founder and CEO

“My investments have lost years of value. Must I work longer or lower my retirement expectations?”

By Mark S. Germain

Retirement can and should be a golden time in your life. Even if your 401(k) is now a 201(k) there are still many nuggets of financial wisdom available to you. The market has snapped back and is on an upward trajectory, so planning now is essential.

The first questions to ask are how much money you need and how do you get there? The retirement planning process begins with a personal, in-depth analysis about your lifestyle, risk tolerance, expenses and goals. **Two significant topics to discuss with your advisor are:**

01 What amount do I need to live a lifestyle I will be happy with, possibly less opulent than the original plan?


02 How much money do I need to put away and where: pension, IRAs, 529s, personal taxable savings, real estate?

Setting a budget for retirement is critical. It is not simply a percentage of the amount you currently spend because you may not need the same house, wardrobe, number of cars, and other common expenses of today. The cost of living has risen at a slower pace during the past few years, so set the budget in today's dollars and inflate or deflate it for the time you retire.

Modifying your spending habits today and increasing savings is another big opportunity. You might consider downsizing your home, moving to another state where the tax laws are more favorable, or reducing your commute and travel expenses. The excess cash can then be invested as part of the retirement strategy process. Refinancing today, while home mortgage rates are at their lowest in decades, will also release cash for additional investment in your retirement plan.

Case in point, one of our doctor clients recently decided to make a small change in lifestyle before his impending retirement. We took those extra dollars, added them to a taxable account, but invested in tax-free municipal bonds and built a backup for the pension.

If you retire at age 65 and live until 90, you can plan to eventually liquidate. Many investors make the mistake of not using principal. Think about this: \$3 million at retirement in bonds paying 5 percent generates \$150,000 per year. If you plan to use the principal for the next 30 years (past life expectancy) you can take \$195,000 per year.

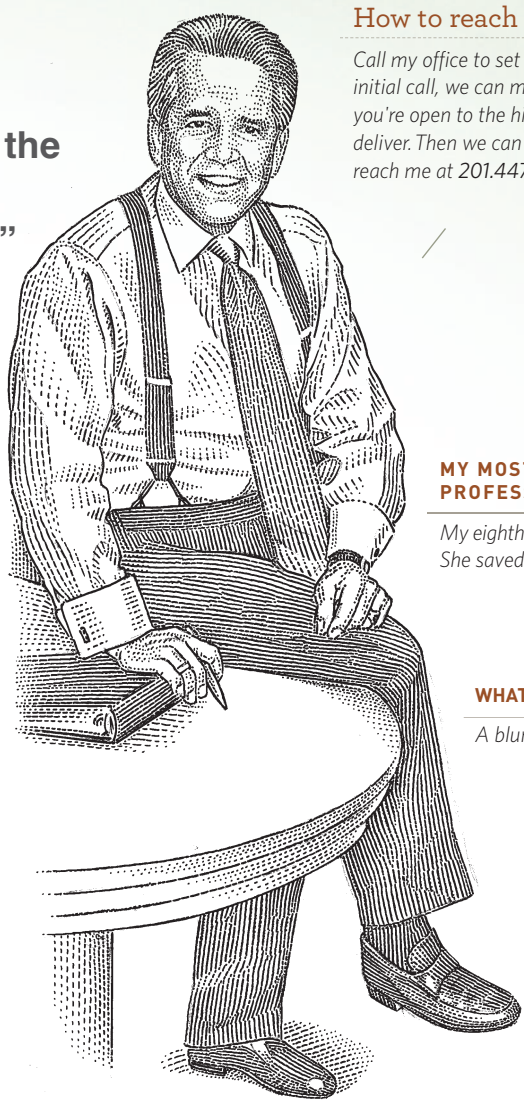
The radical change caused by the recession may have reduced your pool, but the retirement date need not be extended unless you lost your initial principal. Seek help from a competent advisor and be honest. Happy planning! 

GOLDEN NUGGET

A client sold his business on a timed payment plan and expected nearly a million dollars over five years, but the company went bankrupt in the recession. We sat down, changed the portfolio, and agreed to sell his expensive primary residence, which he used only 60 days out of the year, spending the rest of the time living in Florida. We calculated his time and travel expenses for hotels and compared it to the new earnings on the sale proceeds of the house after tax. The net result: a \$65,000 reduction in expenses and a \$36,000 increase in cash interest—a nearly \$100,000 positive cash flow change.

“Many [retired] investors make the mistake of not using principal.”

– Mark S. Germain



How to reach Mark S. Germain

Call my office to set up a phone consultation. In an initial call, we can make sure our values align and that you're open to the high level of customer service we deliver. Then we can determine next steps. You can reach me at 201.447.9500.

WHAT MAKES A GOOD WEALTH ADVISOR...

A blunt, honest and client-focused listener

MY MOST INFLUENTIAL PROFESSOR/TEACHER...

My eighth-grade art teacher, Ms. Hillerhouse. She saved me from quitting.

WHAT MAKES A GOOD CLIENT...

A blunt, honest and inquisitive mind

About Mark S. Germain

Mark S. Germain is the founder of Beacon Wealth Management. A relentless tactician, Mr. Germain has managed his clients' financial lives with passion and precision for more than 25 years. In addition to his work building wealth management strategies for professionals, Mr. Germain educates professionals on all facets of asset protection, investment growth, tax reduction and financial planning. After completing his BS in economics and accounting, Mr. Germain earned his MBA in finance and taught accounting at Northeastern University. He is currently an adjunct professor at Fairleigh Dickinson University where he teaches CFP candidates the financial planning process.

Assets Under Management
\$260 million

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
\$1 million

Largest Client Net Worth
\$50 million

Financial Services Experience
26 years

Compensation Method
Asset-based, fixed and hourly fees

Primary Custodian for Investor Assets
TD Ameritrade

Professional Services Provided
Planning, investment advisory and money management services

Association Memberships
CFP®, FPA, IMCA

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