Mark Reynolds, CFP®
Mark Reynolds and Associates

123 Main Street, Suite 100
San Diego, CA 92128
Phone: 800-123-4567
Fax: 800-123-4567
www.markreynoldsandassociates.com

REYNOLDS
& Associates

focus On®

Retirement Investment Strategies

Managing Your Investments During Retirement

Retirement Investment Strategies
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Workshop Objectives

- Introduce
- Educate
- Illustrate

Our Commitment

Our organization is committed to helping people evaluate their financial situations and giving them the tools to help them make informed decisions. As part of that commitment, we use workshops like this one to provide individuals with sound financial information. This will help you identify your goals and make wise decisions to improve your financial situation.

"Whether you are rich or poor, it's nice to have money."

— Unknown

We follow up this session with a meeting in our offices. This is a complimentary consultation we offer to everyone who attends our workshops. During that consultation, we can discuss any questions you have as a result of the workshop. If you prefer, we can use that time to examine your specific situation and begin the process of helping you formulate a financial strategy that will suit your needs.

About Your Workbook

The workbook is designed to help you apply what you learn to your specific situation. It's yours to keep. It reinforces the workshop's major points and will be a valuable resource for you.

Throughout the workbook, you'll see informative graphics. They come directly from the workshop slides, making it easy for you to follow the presentation. Later, these graphics will be reminders of the workshop's important points.

The workbook has wide margins so you can take notes. Feel free to underline or circle items you may have questions about.

You'll find helpful exercises, worksheets, and self-analysis quizzes in the workbook. These materials will make your workshop experience interesting, informative, and most important, valuable.

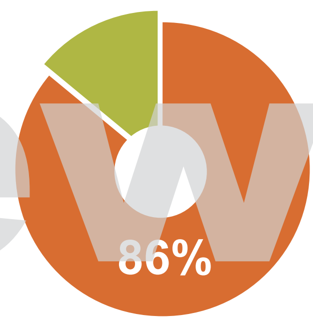
Four Critical Concerns

To help achieve financial success during retirement, you must address four critical concerns:

1. **Taxes**
2. **Inflation**
3. **Investment Portfolio Management**
4. **Outliving Your Retirement Income**

Taxes

Taxes can take a big bite out of retirement savings. Did you know that the top 25 percent of taxpayers paid 86 percent of the nation's federal income taxes in 2016? If you had a modified adjusted gross income of $80,921 or more, that placed you in the top 25 percent!



Source: Tax Foundation, 2019
(2016 is the most recent tax data available)

Before you decide how to invest your money, it's important to understand the tax implications of different types of investments. Then you can make an educated choice regarding the role that taxes will play in your portfolio.

What Is Your Federal Income Tax Bracket?

The chart below shows the tax brackets and taxable income levels for single filers and married joint filers in 2019; income thresholds are indexed annually for inflation. Knowing your federal income tax bracket can help you determine the taxes that will be due on your next dollar of income and many investments.

Single filer

10%	$9,700
12%	$39,475
22%	$84,200
24%	$160,725
32%	$204,100
35%	$510,300
37%	Over $510,300

Married filing jointly

10%	$19,400
12%	$78,950
22%	$168,400
24%	$321,450
32%	$408,200
35%	$612,350
37%	Over $612,350

What is your federal income tax bracket? __________

How to Calculate the After-Tax Yield

How much will a potential investment pay after you factor in taxes? For an investor in the 24 percent federal income tax bracket, a taxable return of 5 percent would yield only 3.80 percent after taxes. That's a significant difference, especially when viewed over long periods of time.

		Return on taxable investment			
		3%	4%	5%	6%
Federal income tax bracket	10%	2.70%	3.60%	4.50%	5.40%
	12%	2.64%	3.52%	4.40%	5.28%
	22%	2.34%	3.12%	3.90%	4.68%
	24%	2.28%	3.04%	3.80%	4.56%
	32%	2.04%	2.72%	3.40%	4.08%
	35%	1.95%	2.60%	3.25%	3.90%
	37%	1.89%	2.52%	3.15%	3.78%

After-tax yield

This table can help you determine the after-tax yield, or net return after taxes, for taxable investments you may be considering. Knowing a taxable investment's after-tax return can be useful when you are comparing it with a tax-exempt investment. Generally, the higher your income, the more you can benefit from tax-advantaged alternatives.

Tax-Favored Investments

Tax-exempt investments offer income that is completely free of federal income tax. **Tax-deferred** investments postpone taxes until funds are withdrawn (usually in retirement).

Sizing Up the Tax Code

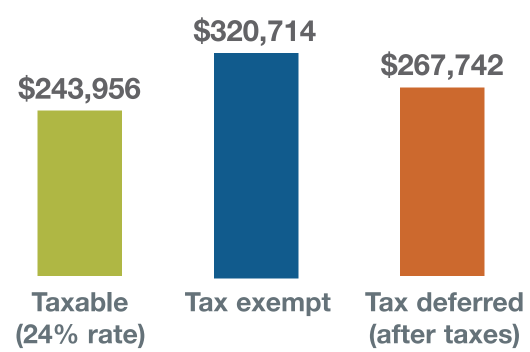
In 1975, there were about 3.9 million words in the federal tax code. In 2019, the number of words exceeded 10 million.

Source: Tax Foundation, 2019

Taxes Make a Difference

The difference between taxable, tax-exempt, and tax-deferred investments can be significant over time.

$100,000 invested at 6% for 20 years would yield...



This hypothetical example is used for comparison purposes only and does not represent any specific investments. Rates of return will vary over time, particularly for long-term investments. Actual results will vary. Although some investments may be free of federal income taxes, they may be subject to state, local, or alternative minimum taxes. If you sell a tax-exempt investment at a profit, there may be capital gains taxes to consider. Investment fees and charges are not considered and would reduce the performance shown if they were included. Lower maximum tax rates for long-term capital gains and dividends, as well as the tax treatment of investment losses, could make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the two accounts shown. An individual's time frame and income tax brackets, both current and anticipated, should also be considered when making financial decisions.

Inflation is the rise in consumer prices over time. Because inflation makes it more expensive to buy the things you need from day to day, it can effectively lower the value of your savings from year to year.

Loss of Purchasing Power

Here are four common items and what they could cost in 20 years, assuming a 3 percent annual inflation rate. This demonstrates that if inflation were to remain steady at a 3 percent annual rate, the purchasing power of your money would be cut nearly in half in about 20 years.

	Cost Today	Future Cost in 20 Years
Gallon of milk	$4.00	$7.22
Haircut	$45.00	$81.28
Running shoes	$100.00	$180.61
New car	$35,000	$63,213.89

Future costs in this hypothetical example are based on mathematical principles and used for illustrative purposes only. A 3% annual inflation rate cannot be guaranteed. Actual results will vary.

How Long Does a Greenback Last?

The average life span of a $1 bill is 22 months, but a $100 bill may last about 9 years.

Source:
Bureau of Engraving and Printing

Double Up

A dollar bill can be double-folded (back and forth) an average of 4,000 times before it will tear.

Source:
Bureau of Engraving and Printing

Figuring Out the Net Yield After Taxes and Inflation

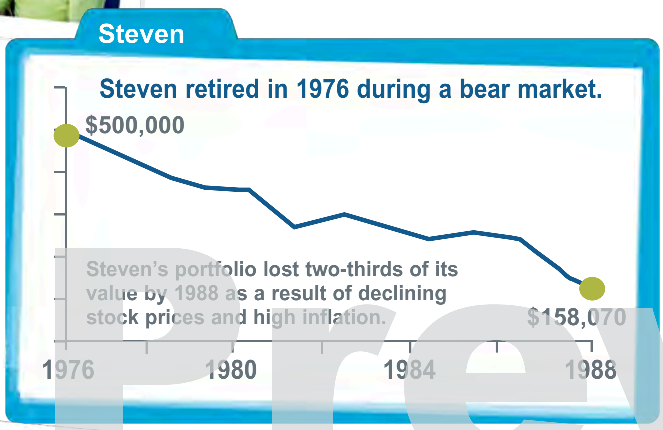
What does an investment pay after you take into account both taxes and inflation?

	Example	You
1. Initial investment	$10,000	$______
2. Rate of return	5%	______%
3. Amount earned *(line 1 x line 2)*	$ 500	$______
4. Federal income tax bracket	32%	______%
5. After-tax return *[line 3 – (line 3 x line 4)]*	$ 340	$______
6. Net value of account after taxes *(line 1 + line 5)*	$10,340	$______
7. Inflation rate	3%	______%
8. Value of account after inflation and taxes *[line 6 ÷ (1.00 + line 7)]*	$10,039	$______
9. Real rate of return *[(line 8 – line 1) ÷ line 1]*	0.39%	______%

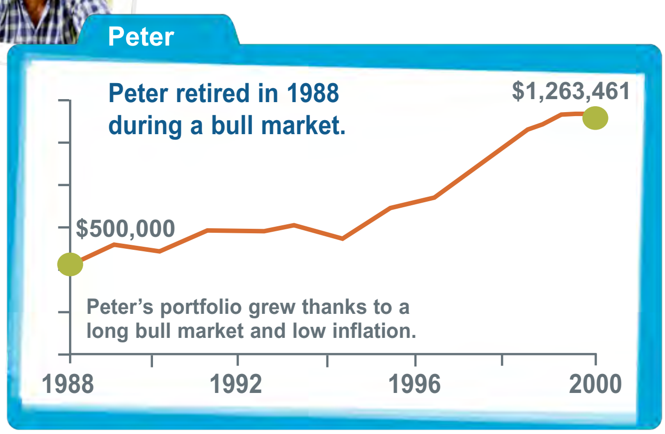
This example is purely hypothetical and is used for illustrative purposes only.
Its performance is not indicative of any particular investment.

A Tale of Two Portfolios

Steven and Peter experienced vastly different economic environments when they retired, which affected their portfolios in drastically different ways. Both had $500,000 tax-deferred portfolios consisting of 50 percent stocks and 50 percent bonds, and both withdrew $40,000 annually (adjusted for inflation).



Both examples assume $40,000 inflation-adjusted annual withdrawals.



Lessons Learned

1. Market conditions are unpredictable and always changing. A sound investment strategy should be flexible enough to adjust to market fluctuations.
2. Successful investing involves more than just stocks and bonds. Many investment vehicles are specifically designed to help investors reduce risk while still pursuing their financial objectives.
3. Investing is an ongoing process that may need periodic adjusting along the way.

Source: Thomson Reuters, 2019, for the periods 1/1/1976 to 12/31/1988 and 1/1/1988 to 12/31/2000. These hypothetical examples are used for illustrative purposes only and do not reflect any specific investments. The original $500,000 portfolios held 50% stocks and 50% bonds in tax-deferred accounts. In the first year, $40,000 was withdrawn for income, and in subsequent years an inflation-adjusted equal amount was withdrawn. Stocks are represented by the Standard & Poor's 500 composite total return, which is generally considered representative of the U.S. stock market. Bonds are represented by the Citigroup Corporate Bond Composite Index, which is generally considered representative of the corporate bond market. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Past performance is no guarantee of future results. Rates of return will vary over time, particularly for long-term investments.

How Do You Succeed?

Developing a Sound Strategy

There are three main considerations to bear in mind when developing a sound investment strategy:

1. **Investment objectives**
   What are you trying to achieve by investing?
2. **Time frame**
   How long before you need the money?
3. **Risk tolerance**
   How much uncertainty and risk can you take?

Investment Objectives

A first step is to establish your objectives. What are you trying to achieve by investing:

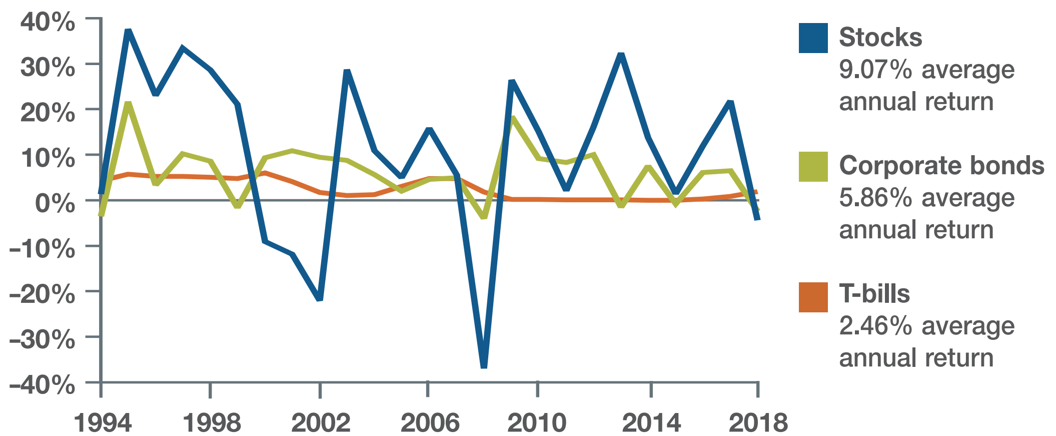
- **Protect what you have?**
- **Grow your assets?**
- **Generate income?**

For example, are you concerned about protecting the current value of your portfolio? Would you like to see your assets continue to grow, even if it means taking on additional risk? Or are you most interested in generating a steady income that will support your retirement lifestyle no matter what happens in the markets?

Time Frame

The amount of time you have before you need to reach your goals can have a tremendous impact on the investment categories you choose. That's because fluctuations in the financial markets can affect the value of your portfolio from one year to the next. The graph below shows the volatility and historical performance of various types of investments over the 25-year period from 1994 through 2018. It's an important reminder of why it is important to keep your time frame in mind when developing a sound investment strategy. Remember that past performance is not a guarantee of future results.

Historical investment performance: 1994–2018



Source: Thomson Reuters, 2019, for the period 1/1/1994 to 12/31/2018. Stocks are represented by the Standard & Poor's 500 composite total return. The S&P 500 is an unmanaged index that is generally considered representative of the U.S. stock market. Corporate bonds are represented by the Citigroup Corporate Bond Composite Index, which is generally considered representative of the U.S. corporate bond market. Treasury bills are represented by the Citigroup Three-Month Treasury Bill Index.

T-bills are backed by the full faith and credit of the U.S. government as to the timely payment of principal and interest. The returns shown do not reflect taxes, fees, brokerage commissions, or other expenses typically associated with investing. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Past performance is no guarantee of future results. Actual results will vary.

Risk Tolerance

In general, the more potential for growth an investment offers, the more risk it carries. This quiz will help you evaluate your own ability to withstand risk.

Risk Tolerance Quiz

Which of the following investments do you feel most comfortable with?

a. Certificate of deposit
b. High-grade corporate bond
c. Growth stock

Of the following stocks, which do you feel would most suit your needs?

a. A conservative utility stock that pays high dividends but offers little chance for long-term growth
b. A "blue chip" stock that offers the potential for modest dividends and growth
c. An aggressive small-company stock that pays no dividends but offers great potential for long-term growth

What have you traditionally considered most important from your investments?

a. Safety
b. Conservative growth
c. Maximum growth

You just made a $100,000 investment. The following amounts represent the estimated best-case and worst-case scenarios after one year. Which range of possible outcomes would you prefer?

	best case	worst case	possible gain/loss
a.	$104,000	$96,000	$ 4,000
b.	$108,000	$92,000	$ 8,000
c.	$112,000	$88,000	$12,000

Which statement most closely resembles your feelings about risk?

a. I am not willing to take risks with my investments.
b. I am willing to take limited risks with my investments.
c. I am willing to take substantial risks with my investments.

Scoring Give yourself: 10 points for every "a" answer
20 points for every "b" answer
30 points for every "c" answer

50–80
You are a relatively low-risk investor. You are mostly concerned with the preservation of your capital and the potential for current income. You are not willing to risk your capital for greater potential returns.

90–110
You are generally conservative, but you recognize the need to consider growth-oriented alternatives. You may be willing to take modest risk to earn above-average, long-term returns.

120–150
You may be a relatively high-risk investor. You are mostly concerned with long-term appreciation, and you may be willing to take on more risk to earn greater long-term potential returns.

Outliving Your Retirement Income

How Long Will Your Retirement Be?

With recent advances in technology and medicine, life expectancies are stretching considerably. Chances are good that you'll be spending a large portion of your life in retirement. In fact, at age 65, you may need income for 20 years or longer.

Funding Retirement: Expectations vs. Reality

Funding a lengthy retirement can be tricky. Working Americans plan to rely on a variety of funding sources that current retirees depended on less. Moreover, fewer workers expect to rely on Social Security as a major source of income.

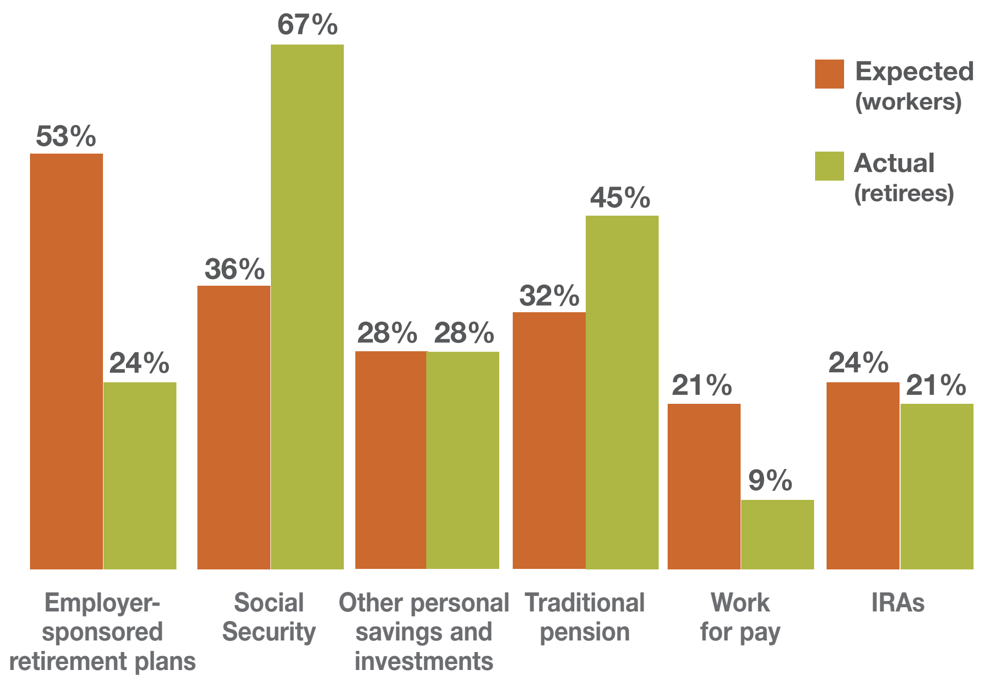
In a 2018 survey, workers' expected major sources of retirement income were quite different from the actual major income sources reported by retirees (see chart below). For example, workers were expecting that tax-deferred retirement savings accounts such as 401(k)s and IRAs would be their largest sources of retirement income, yet retirees reported that their major source of income was Social Security.

Living Longer

A healthy 65-year-old man can expect to live another 18 years, while a healthy 65-year-old woman can expect to live nearly 21 more years.

Source: National Center for Health Statistics, 2018

Major sources of income in retirement



Source: Employee Benefit Research Institute, 2018

Preparing for a Long Retirement

3 Key Steps

Identify financial needs and sources of income

Protect your assets

Recognize and avoid common pitfalls

How Much Would You Need?

	Example	You
1. Annual income desired	$ 75,000	
2. Savings needed to provide desired income in retirement *(line 1 times factor B)*	$1,115,813*	
3. Savings needed to provide desired income indefinitely** *(line 1 ÷ 0.03)*	$2,500,000	

*The hypothetical example shown assumes a 20-year retirement.
**The calculation assumes a 3% after-tax rate of return.

Yield Matters

A $100,000 portfolio earning a hypothetical 2% annual rate of return would be worth $148,595 in 20 years.

If it earned a hypothetical 10% annual rate of return, the same $100,000 portfolio would be worth $672,750 in 20 years.

This hypothetical example of mathematical principles is used for illustrative purposes only and does not represent any specific investment. Actual results will vary.

Reference Chart

Length of Retirement (Years)	Factor B	Length of Retirement (Years)	Factor B
1	0.9709	16	12.5611
2	1.9135	17	13.1661
3	2.8286	18	13.7535
4	3.7171	19	14.3238
5	4.5797	20	14.8775
6	5.4172	21	15.4150
7	6.2303	22	15.9369
8	7.0197	23	16.4436
9	7.7861	24	16.9355
10	8.5302	25	17.4131
11	9.2526	26	17.8768
12	9.9540	27	18.3270
13	10.6350	28	18.7641
14	11.2961	29	19.1885
15	11.9379	30	19.6004

Factor B assumes a 3% after-tax rate of return.

Identify Sources of Income

Savings and Investments

Personal savings and investments will provide much of the income that you will need in retirement. You may depend on money you've saved in employer-sponsored retirement plans [such as a 401(k)], traditional IRAs, Roth IRAs, and other nonwork-related savings and investments.

The amount you save and invest — and how your investments perform — will be key factors in determining your lifestyle in retirement. Further, the decisions you make when choosing distribution methods from your investments could have an impact on how long your income sources might last in retirement.

Employer-Sponsored Plans

Retirement savings programs sponsored by employers can be an important source of retirement income. There are two main payout options.

Lump sum. A lump-sum approach gives you total control over your money, however income taxes are due on the total amount of the distribution (for the year in which you cash out). Employers issuing you a distribution check are required to withhold 20 percent toward federal income taxes, so you would receive only 80 percent of your total accumulation. A sizable lump-sum distribution could easily move you into a higher tax bracket.

Systematic withdrawals. Some employer plans may let you take distributions as systematic withdrawals. You can generally choose to receive the funds in three different ways: (1) a fixed amount on a regular schedule, such as monthly, quarterly, semi-annually, or annually; (2) a specific percentage of the account value on an established schedule; or (3) the total account value in equal distributions over a specified period of time.

If you choose a series of monthly payments (often referred to as an annuity), these payments can last for your lifetime or for the joint lives of you and your spouse (or selected beneficiary), depending on which annuity you choose.

- **Single life payment option**
- **Joint and 100% survivor payment option**
- **Joint and 50% survivor payment option**

There are advantages and disadvantages to each approach, so you need to examine your options carefully. Consider your age, liquidity needs, income needs, and tax situation. Distributions from traditional IRAs and most employer-sponsored retirement plans are generally taxed as ordinary income; withdrawals prior to age 59½ may be subject to a 10 percent federal income tax penalty.

Early Retirement

About 29% of men and 33% of women claim Social Security benefits when they first become eligible at age 62.

Source:
Social Security Administration, 2018

Stretch IRA

If you transfer retirement plan assets to an IRA, it's possible to pass the IRA on to your heirs and significantly increase the long-term value of your legacy.

Note: You are limited to one tax-free IRA-to-IRA rollover in a 12-month period, regardless of how many IRAs you have. The once-per-year rule does not apply to rollovers/transfers from an employer-sponsored plan to an IRA; nor does it apply to Roth IRA conversions.

Roth IRA conversions cannot be reversed through recharacterization.

Required Minimum Distributions

You must begin taking annual required minimum distributions (RMDs) from most employer-sponsored retirement plans and traditional IRAs once you reach age 70½; distributions are taxed as ordinary income. The first distribution can be delayed, but it must be taken no later than April 1 of the year after the year in which you turn 70½. However, if you do this, you would have to take two distributions in the same year. Your RMD will be determined by your age and your account balance. You can always withdraw more than the minimum amount each year.

IRA Rollover/Transfer/Conversion

If you don't want to keep your retirement funds in your former employer's retirement plan or move them to a new employer's plan (if allowed), you might consider an indirect (60-day) rollover or a trustee-to-trustee transfer to an IRA. An effectively executed rollover/transfer of assets to a traditional IRA avoids current taxes and penalties, and your assets continue to accumulate on a tax-deferred basis.

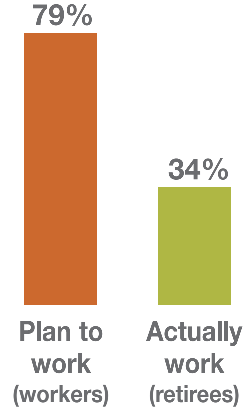
If you want to have a tax-free source of retirement income, you might choose to convert tax-deferred assets to a Roth IRA. You must pay ordinary income tax on the assets converted in the tax year of the transfer. Qualified Roth IRA distributions after age 59½ (and after the five-year holding requirement has been met) are free of federal income tax. In addition, Roth IRAs are exempt from the required minimum distribution rule. (IRA beneficiaries, however, must take RMDs.)

Social Security

In 2019, the average Social Security benefit for a married couple was $2,448 per month or $29,376 per year ($1,461 per month or $17,532 per year for a single individual).[1] The Social Security benefit you receive is based on an average of your highest 35 years of earnings, as well as on the age when you claim Social Security. If you claim at age 62, your benefit will be 25 to 30 percent lower than if you had waited until "full retirement age" (66 to 67, depending on birth year). Waiting until age 70 provides the highest benefit. Married couples have additional claiming options, including spousal and survivor benefits.

Employment

Although 79 percent of workers plan to work for pay in retirement, only 34 percent of today's retirees have actually done so. In fact, about 50 percent of retirees say they were forced to stop working early.[2] Consider the possibility that you might have to stop working earlier than planned as a result of health issues or loss of employment.

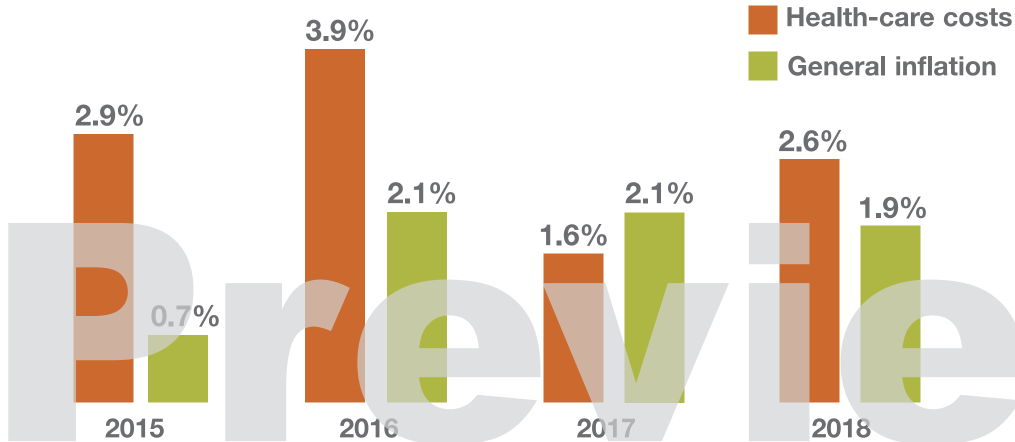


Sources: 1) Social Security Administration, 2018;
2) Employee Benefit Research Institute, 2018

Protect Your Assets

Health-Care Costs Increasing

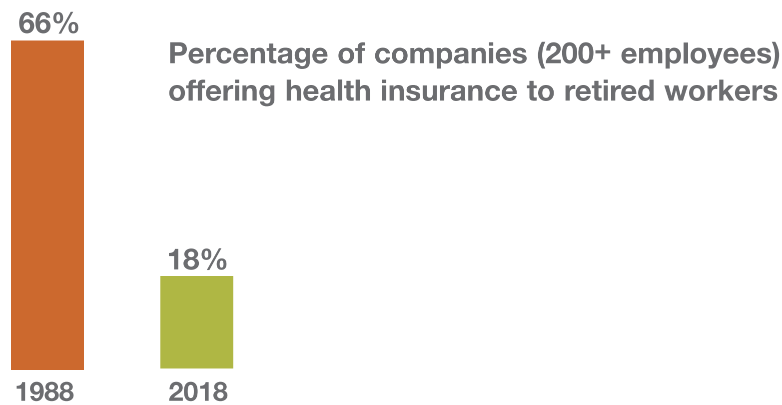
Over most of the past several years, health-care costs have risen faster than the rate of general inflation. Paying for health care has become one of the biggest worries that many retirees face.



Source: U.S. Bureau of Labor Statistics, 2019

Retiree Health Benefits Eroding

As health-care costs are rising, retiree health benefits are eroding. The percentage of large companies that offer health insurance to retired workers has fallen sharply — from 66 percent in 1988 to 18 percent in 2018.



Source: Employer Health Benefits 2018 Annual Survey,
The Kaiser Family Foundation and Health Research and Educational Trust

Filling the Gaps in Medical Insurance

- **Medicare**
- **Medicare Supplement Insurance (Medigap)**
- **Medicare Advantage**

The Impact of Rising Costs

A 65-year-old couple who don't have employer-paid health coverage may need about $296,000 just to cover their medical expenses in retirement.

It's not surprising that 46% of workers are not confident that they will have enough money to pay for health-care expenses in retirement.

Source: Employee Benefit Research Institute, 2018

Recognize and Avoid Common Pitfalls

Retirees face common pitfalls that may keep them from enjoying the kind of lifestyle they've envisioned. Here are some troublesome situations and possible solutions to help resolve them.

Dependent on Single-Life Annuity

If a couple's lifestyle is funded largely by one spouse's employer pension plan, income to the surviving spouse may be totally cut off when the pensioner dies.

Problem: Insufficient income for spouse without a pension.

Solution: Purchase life insurance policy to provide income to the surviving spouse after pensioner's death.

In order for this strategy to be successful, it is important not to allow the insurance policy to lapse. The purchaser must be prepared to continue paying premiums or to fund the policy expenses even beyond retirement. "Lapse" means losing the life insurance proceeds, which may leave the surviving spouse with no income source once the right to a survivor annuity has been waived. The extra monthly life-only pension funds will be taxable, leaving only the after-tax amount for the premium payment.

As with most financial decisions, there are costs associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. Before implementing a strategy involving life insurance, it would be prudent to make sure that you are insurable. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing insurance company.

Need for Preparation

Thirty-seven percent of retirees surveyed said their expenses in retirement were somewhat or much higher than expected. Only 8% said their expenses were lower in retirement.

Source: Employee Benefit Research Institute, 2018

Too Conservative

Some retirees may invest too conservatively and therefore risk losing ground to inflation. Although preservation of principal should be a key consideration during retirement, it should not be the only objective.

Problem: The portfolio is not positioned to outpace inflation and is subject to interest-rate risk.

Solution: Allocate a portion of the portfolio for greater growth potential.

The return and principal value of an investment in stocks, bonds, mutual funds, and variable annuity subaccounts fluctuate with changes in market conditions. When the investment is sold, the investor may receive back more or less than the original amount invested. Investments seeking the potential for higher rates of return generally involve greater risk.

Mutual funds and variable annuities are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the mutual fund or the variable annuity contract and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Bank savings accounts and CDs are insured by the FDIC for up to $250,000 (per depositor, per federally insured institution) and generally provide a fixed rate of return. Treasury bills are backed by the full faith and credit of the U.S. government as to the timely payment of principal and interest.

Single Investment Portfolio

Some investors sink their entire portfolios into one type of investment, subjecting their savings to undue risk.

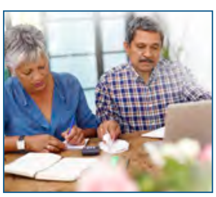
Problem: No diversification leads to unnecessary risk and doesn't meet all needs.

Solution: Diversify into investments that offer a balance of growth potential, income, capital preservation, and tax reduction.

A diversified portfolio can help reduce risk while still providing the potential for gains. Diversification does not guarantee a profit or protect against investment loss. It is a method used to help manage investment risk.

Too Many Fully Taxable Investments

Some investors suffer from having investments that are fully taxable. This allows taxes to eat away at their current income before they even receive it.



Problem: Losing too much income to taxes.

Solution: Switch to tax-exempt, tax-deferred, and tax-advantaged investments.

As with most financial decisions, there are risks, expenses, and tax implications associated with investing. Investments offering the potential for higher rates of return also carry greater risk. You will want to learn more about these issues before making any decisions.

4 Critical Concerns

This discussion of retirement investment strategies has covered many important topics, and it might reveal some potential weaknesses in current financial strategy. Remember to address these four concerns to help improve your financial situation.

1. **Taxes**
2. **Inflation**
3. **Investment Portfolio Management**
4. **Outliving Your Retirement Income**

Does Your State Get Its Fair Share?

For every dollar that taxpayers give to the federal government, some federal spending is returned to the individual states.

Federal aid as a percentage of state general revenue (top two and bottom two by ranking):

1	Louisiana:	42.2%
2	Mississippi:	42.1%
49	Virginia:	21.5%
50	N. Dakota:	18.4%

Source:
Tax Foundation, 2018

Figuring Out Your Net Cash Flow

How much discretionary income do you have available after your monthly obligations are met? Can you account for where the money goes? Some people are surprised at the amount they should be able to save and invest each month but don't. Analyze your cash flow for the current month. Because income and expenses can vary from month to month, you may wish to estimate your cash flow through all 12 months or take a 12-month average.

Monthly Income	
Wages, salary, tips	$
Alimony, child support	$
Dividends from stocks, mutual funds, etc.	$
Interest on savings accounts, bonds, CDs, etc.	$
Social Security benefits	$
Pensions	$
Other income	$
TOTAL MONTHLY INCOME	$

Monthly Expenses			
Mortgage payment or rent	$	Other transportation	$
Vacation home mortgage	$	Life insurance	$
Automobile loan(s)	$	Homeowners insurance	$
Personal loans	$	Automobile insurance	$
Charge accounts	$	Medical, dental, disability insurance	$
Federal income taxes	$	Unreimbursed medical, dental expenses	$
State income taxes	$	Entertainment/dining	$
FICA (Social Security)	$	Recreation/travel	$
Real estate taxes	$	Club dues	$
Other taxes	$	Hobbies	$
Utilities (electricity, heat, water, telephone, etc.)	$	Gifts	$
Household repairs and maintenance	$	Major home improvements and furnishings	$
Food	$	Professional services	$
Clothing/laundry	$	Charitable contributions	$
Education expenses	$	Other expenses	$
Child care	$		
Automobile expenses (gas, repairs, etc.)	$	TOTAL MONTHLY EXPENSES	$

NET CASH FLOW	
Total monthly income	$
Total monthly expenses	$
Discretionary monthly income *(Subtract your expenses from your income)*	$

How much of your discretionary monthly income are you investing or saving each month? $ ______________

Figuring Out Your Net Worth

How much are you worth? Just as corporations prepare a balance sheet to determine their current net worth, you may want to complete a personal balance sheet.

Tangible Assets	
Residence	$
Vacation home	$
Furnishings	$
Automobiles	$
Rental real estate	$
Art, jewelry, or other valuables	$

Equity Assets	
Qualified retirement funds	$
Stocks	$
Equity mutual funds	$
Variable life insurance (cash value)	$
Variable annuities	$
Limited partnerships	$
Business interests	$

Fixed-Principal Assets	
Fixed-interest annuities	$
Life insurance (cash value)	$
Other assets	$

Debt Assets	
U.S. government bonds and agency securities	$
Municipal bonds	$
Corporate bonds	$
Face amount certificates	$
Debt mutual funds	$

Cash and Cash Alternatives	
Checking accounts	$
Savings accounts	$
Money market funds	$
Certificates of deposit	$
Other cash reserve accounts	$
TOTAL ASSETS *(Add tangible, equity, fixed principal, debt assets, and cash)*	$

Liabilities	
Home mortgage	$
Other mortgage	$
Automobile loans	$
Bank loans	$
Personal loans	$
Charge-account debt	$
Other debts	$
TOTAL LIABILITIES	$

NET WORTH	
Total assets	$
Total liabilities	$
NET WORTH *(Subtract your liabilities from your assets)*	$

Set a goal for yourself.

What would you like your net worth to be in 5 years? $ ____________

What would you like it to be in 10 years? $ ____________

What to Bring

Please bring the following documents to your consultation:

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

Your consultation is scheduled for:

____

Date Time

REYNOLDS
& Associates

broker-dealer disclosure