

The Protected Retirement PROCESS

What You Have - Assess

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In phase two, you need to assess where you are currently. And assessing where you are currently is really about doing an MRI and stress testing your current wealth plan. There are five areas when you stress test your wealth. The first is protection. Second is retirement income. Third is your investment portfolio or investment engine. Fourth is your taxes. And fifth is estate planning. So what that means is that you take your current wealth and you test it from the standpoint of, what am I exposed to:

- From a protection standpoint? The areas that often come up are exposure to litigation, creditors, divorce, lifestyle risks, business risks and just uncertainty in life. So the very first thing is you want to be able to take a look at, where am I exposed?
- Next we test your ability to sustain and support your retirement income and lifestyle. Now, what needs to take for me to continue my lifestyle from an income standpoint? And what will I need? How much wealth will I need to sustain that? And how reliable will that income be?
- Third area is your investment which is really essentially doing an MRI on your investments. And you're looking at your investment mix, you're really targeting three things in terms of risk. Number one, how much risk am I taking versus how much I actually need to take to meet my goals? Number two, how much risk am I taking versus what I'm comfortable with from a personal standpoint? And number three, am I getting compensated? Am I getting paid for the risk that I'm taking in my portfolio?

- Fourth area is income taxes. And most people look at their income tax from the standpoint of looking in the rear view mirror. In other words, at the end of the year, they just record the amount of income they have and the amount of tax. And so it's like driving – imagine driving down the highway looking in the rear view mirror. What you really want to do is look forward and decide. Is there anything I can do? Am I taking advantage of the 76,392 pages of the Tax Code? And then the last in those first four areas are what we would call your lifestyle wealth. So we're looking at it from a lifestyle standpoint.
- And the last area would be estate plan or legacy. What's your planning from a legacy standpoint? Will the IRS be the largest beneficiary of your estate? Will your estate have an impact on those you love and care about? So we look at your wealth from a legacy and a lifestyle standpoint.

That's phase two. At the end of which, you want to identify what are your short falls, gaps and exposure areas. And you want to look at those in three categories, again for you, for your family and for your community.