

Financial Pentagon®

5 Key Areas To An Abundant Retirement “Retirement Income”

By Dan Hagler

As we review and “Assess” your current situation in phase II of *The Protected Retirement Process®*, in this second phase we conduct an MRI and stress test is your Retirement Income plan.

In this step we test your ability to sustain and support your lifestyle. Questions that we are asked are many, for example, what is it going to take for me to continue my lifestyle? How much wealth will I need to sustain my lifestyle? And how reliable will that income be?

Up to this point in life, you have accumulated a certain amount of wealth – your “wealth engine.” Each year, a certain amount will flow into your wealth engine and, each year, you will withdraw a certain amount for living.

Using appropriately agreed-upon assumptions in our wealth simulator, we will be able to identify potential surplus or a short-fall of wealth, in other words, we will have a clear understanding if you have the necessary wealth to retire with a sustainable and reliable income.

Areas that we pay special attention to are:

- Inflation,
- Taxes,
- Health care costs,
- Market performance

In addition, you may notice trends and discover interactions or side effects about your current plan as your wealth is simulated over time. By reviewing this simulation we are able to eliminate uncover the unknown issues and be more proactive with understanding your future lifestyle needs.