

INVESTMENT INSIGHTS

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Letter #113



Retirement Planning One Loaf at a Time

A few weeks ago, I was reading one of my favorite news and opinion papers, the weekend *Wall Street Journal*. In the Review section an article titled “Why You Should Eat More Bread” caught my attention. This story explained that good bread is essential for a good sandwich, or as the authors state in the negative: “Bad bread means bad sandwiches.”

The thought occurred to me that sandwiches could be a metaphor for one’s retirement, and bread could represent the plan to achieve one’s retirement. Just as one person might prefer a multi-layered Dagwood sandwich, and another might opt for a simple PB&J, so too do folks differ on what represents their retirement dream. Some see travel and adventure as their retirement focus, others want more time with family and friends, and still others want to pursue volunteer work or get a daily dose of golf. Retirement is as individualized as, well, a sandwich. Or as Burger King phrased the sentiment in their ads, “Have it your way.”



Retirement sandwiches, however they look, have one thing in common: good bread. In this metaphor, the plan that one pursues, hopefully in a thoughtful manner, is the bread. So how do we bake the bread with the right taste and texture? How do we achieve the retirement plan with sufficient assets, income, and purpose to enjoy the later decades of life?

While I have never attempted to bake a loaf of bread - good, bad, or otherwise - I certainly enjoy eating every slice. Some of you who are talented bakers have been kind enough to share your talents and calories with my team and me. And a hearty thank you for that. First-rate bakers suggest there are four key items to make a great loaf of bread:

1. Good ingredients
2. Proper procedure
3. A quality baker
4. Patience

If you will allow me to continue the bread/retirement analogy, let’s examine the four key items to achieve a successful retirement.

1. Good ingredients

The ingredients for a successful retirement include the many, many facts and figures, estimates, and plans that you share with us as we prepare a retirement roadmap for you. This list involves assets, income sources, risk tolerance, lifestyle changes, expenses, plans for philanthropy and gifting, and a multitude of other items unique to your

Our Mission

“To guide our clients to and through retirement with a minimum of worry—with expertise and kindness.”

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DJIA	3-Month T-Bill
33,562	5.46%
S&P 500	10-YR Treasury Bond
4,267	3.69%

Cash Options

We have received numerous inquiries recently asking if there are lower risk places to invest short-term emergency, cushion, or liquidity money at competitive rates. The answer is yes, and we welcome your call to discuss the particulars of your situation.

Special thanks to J. and C.G. of Vicksburg, MS for the baking inspiration and calories!

circumstances. Analyzing these inputs in combination with realistic estimates of inflation, rates of return, emergency and healthcare needs, and life expectancy allows us to offer you a good appraisal of the likelihood for financial success of your retirement.

While the financial aspect of retirement planning is obviously crucial, so is the emotional preparedness of the individual for retirement transition. We encourage those considering retirement to think carefully about what a typical day will look like, who their social contacts will be, where their feeling of purpose will come from, and how their family feels about the decision.

Over the years, as we have witnessed the successes and challenges that clients encounter in retirement, we have come to recognize the underappreciated importance of being emotionally prepared. Having enough money is important, but so is having enough purpose. It's vital to know if you can retire. It's just as crucial to know if you should.

These are some of the quality ingredients that go into the retirement planning process, and it is a very long and important list. Everyone on the team looks forward to helping you organize and process these ingredients in order to bake that tasty retirement planning loaf.

2. Proper procedure

Once the ingredients are selected, they must be mixed together properly and baked at the right temperature for the right amount of time. In retirement planning, once the relevant information is gathered, the plan has to be implemented and monitored. For example, the assets have to be invested properly according to one's goals and risk tolerance, decisions must be made regarding distributions of social security and pensions, and

changes need to be considered as goals and markets shift. Of course, proper procedure means that the baker must open the oven door and monitor the progress of the bread as it is baking.

3. A quality baker

Just as there are individuals who know the ingredients to use, the procedures to follow, and have the time and inclination to do their own baking, the same is true with retirement planning. Professional baking requires dedication, commitment, time, and expertise. Retirement planning is no different. There are individuals who approach the process knowing it is more than a hobby and more than entertainment. Mistakes in baking occur. Mistakes in retirement planning occur as well. If you ruin a loaf of bread, you can rebake a new loaf with relatively little time or cost. However, you generally only get one shot at planning a comfortable and meaningful retirement. A quality retirement plan baker could make a world of difference in meeting your dreams for the post-work phase of life.

4. Patience

As one of our experienced baker-clients pointed out, baking a delicious loaf of bread requires an extraordinary amount of patience. The faculty of the Auguste Escoffier School of Culinary Arts, considered one of the top culinary

"We need four things to survive life: bread, water, oxygen, and dreams!"

- Avijet Das, poet and writer from New Delhi, India, *Why the Silhouette?*

schools in America, write that "Cutting corners can lead to subpar results. Sourdough takes half of a day to rise properly, so if you get impatient and cut the time in half, you'll end up with a brick of dough."

Proper retirement planning involves a lifetime of patience, involving saving and investing over decades of time. Patience is repeatedly required as financial markets and personal challenges cause setbacks that may take years to overcome. And likewise, shortcuts in planning may result in the retirement equivalent of a "brick of dough." If one is not inclined to do their own baking, we hold ourselves out as experienced bakers who are willing to work with you to achieve the quality loaf of bread so that you can make the sandwich of your dreams.

If you have not worked with us on preparing a retirement roadmap, or it has been a while since the plan has been updated, let us know. Our aprons are on, and the oven is heating up.

Happy Anniversary

- 71st** W. and L.J. of Pearl, MS
- 63rd** K. and M.G. of Philadelphia, MS
- 60th** M. and B.L. of Philadelphia, MS
- 50th** T. and D.M. of Brentwood, TN
- 50th** M. and M.G. of Kilmichael, MS

Out of Town Visitors

- K.N. of Brentwood, TN
- M.G. of Kilmichael, MS

Special Birthdays

- 105** F.F. of Natchez, MS
- 94** L.I. of Torrance, CA
- 90** J.Y. of Gainesville, GA
- 90** B.B. of Flowood, MS
- 90** F.G. of Madison, MS
- 90** E.H. of Mt. Juliet, TN

Until Next Time,



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