Please note: This is a transcription so there may be slight grammatical errors.

Hello, everyone, and welcome to today's webinar, which is being presented by CAPTRUST, the independent financial advisory firm that works on your employer-sponsored retirement plan. As an added benefit, you will not only have access to these quarterly webinars but also to the financial advisors who will give you unbiased, customized investment advice. And now I'd like to introduce Debra Gates, Manager, Advice and Wellness with the CAPTRUST. Go ahead, Debra.

- Thank you so much, Tracy. I see, as people are coming in, thank you so much for joining us today. This presentation is intended for educational purposes only. So, you know, please be reminded that your individual needs and financial goals are as unique as you are. So please feel free, you know, just to reach out to CAPTRUST at captrustadvice.com, schedule an appointment to discuss your personal needs, or call us directly at 1-800-967-9948. And remember, CAPTRUST does not offer any legal, tax, or accounting advice. So, Tracy, if we can go to the next slide. I'm so excited today to have a couple of my friends, my colleagues with me today, Veronica Karas and Ted Lew. And today, Veronica's out of New York, and Ted is out of Northern California. And so today, we wanna talk about, you know, we work on four pillars at CAPTRUST. And so today, with this quarter, we're in our planning quarter, and that we wanna just look at, you know, how do you plan for your financial future? So we're gonna look at some different archetypes. We won't be able to cover every demographic in the next 40 to 45 minutes, but we're gonna look at a few of those archetypes, and we're gonna try to cover the broader audience. So, however, if you have particular questions, our Advice Desk is standing by to address your personal and unique situation because we know that one size does not fit all. So let's go to the next slide. And so irrespective of where you are in your retirement planning, you have to plan, you have to do some type of planning. And whether you're going to put pencil to paper, if you're gonna simply look at inflows and outflows, or you're gonna do some elaborate financial plan, you need to do some type of plan. So the important thing to know is to know your end game. How are you gonna get there? You know, don't forget, it's not just about financial planning. Planning for retirement includes knowing what you wanna do with your life. You know, just like Lee Iacocca said, you know, you just wanna make sure that you are planning, make sure that you, and I wanna read his quote for you, "You plan everything in life, and then the roof caves in on you because you haven't done enough thinking about who you are and what you should do with the rest of your life." So we wanna talk about planning, and we wanna look at these various stages. So without any further ado, and, again, continue coming in, thank you so much for joining. So I think I wanna start with you, Veronica. Let's go to the next slide, Tracy. You know, Veronica, we've had several conversations, you know, about this, and I really want you to share your thoughts, but I just kinda wanna pose a question to you too. You know, oftentimes when we're meeting with participants who are new to the workforce, they may be single, somewhere in their 20s or 30s, you know, they have the question about where to start as it relates to planning, you know, their financial wellness future, 'cause that's what they wanna know, how do I start? So financial wellness is a little bit more comprehensive. It's all-encompassing. So what would you say is the priority? Paying off student loan debt or putting money into their employer-sponsored retirement plan?

- Great question, and it's one we get very often. Thank you so much, Debra. So it's really, really important when you're first starting out, I think, to really know where your money goes. That's always the first, what's coming in and what's coming out? That's first and foremost. And, look, we all have certain things we absolutely must pay for, whether that's rent or food or a cell phone bill or transportation to go to work. Whatever that looks like for you, you're paying for it some way, somehow. Student loans or any other debt fall into sort of those must-make payments. It's just about how much you make. At the same time, you also don't wanna be in a situation where you haven't accumulated any savings and you've put so much towards student loan debt, for instance, and, god forbid, you lose your first job or something like that. You know, you're now in really big trouble and taking on different kinds of debt, right? Like credit card debt or personal loans that really are high interest. And so there are different ways to think about this, and I always say if you know how much you have coming in and how much you have going out, you can kind of find the sweet spot of doing both, paying off your student loan debt and accumulating, especially for emergencies, right? And it's really important what the alternative is and what you're doing with your money. So as an example, you know, maybe not this investment year because we're all going through turbulent times, but let's say, for instance, your student loan debt is at a 2.5% interest rate and your investment accounts, your retirement account is earning something like 8%. Well, maybe you actually wanna put a little bit more towards your investments. Again, probably not this year with the market correction, but there are years where that is the case. On the flip side, if your student loan debt is that same 2.5%, but you're holding cash in the bank earning .01%, maybe a little bit more now, but over the last few years, it's been around that, then you definitely wanna put more towards your student loan debt. And I think it's a really great strategy just to figure out what you're earning and where and what you're paying and where, right? What all of that interest is. So if it's credit card debt or personal loans or student loans, just write it out. And, you know, one of the methods of paying down student loan debt, and I know my friend Ted has some comments on this, but one of the methods is figuring out where your highest interest debt comes from. So we call that the snowball method where you pay down the highest interest debt first, and then continue going down until all of your debt is paid off. And I know Ted has something to say about this too.

- Yeah, there are different types of snowball approaches to debt, and the main thing is that, mathematically, what Veronica said makes complete sense, but there's also some behavioral issues with the snowball effect where you gotta have some small wins. And so if everybody has debt that has the same balance across the board, it's roughly the same amount across four different credit cards plus student loan, it's easy. Then you just start with the highest percentage rate first, as Veronica just described. But if you've got them all over the map, and you've got all these little squirrel pile debts of, you know, $100 here, $1,000 here, you wanna knock off some of these smaller debts first because you get those wins and you get confidence. And so having that confidence and then being able to channel what you were paying on those small debts onto the bigger debts, the overwhelming one. So if your student debt is like $10,000 and you've got six credit cards all around $500 balances, knocking those off, especially if they're at 21% interest rates, really can pay off in dividends.

- I think that's great. So, you know, I know Veronica talked about interest rates, and I know that, you know, we were talking, Ted, and you kind of talked about even looking at mortgage rates, and so I wanna toss that same question to you. What do you think is the priority as it relates to debt or getting involved into your retirement plan?

- Well, you know, interest rates and mortgages, especially in your 20s and 30s, I have clients in that age bracket who are really focused on buying that first house. And of course with this skyrocketing mortgage rates that we're seeing, my own son started a mortgage back in February of this year, and he tried to get in at 2.8, and by the time he finished escrow, it was at 3.2 and he was really upset. Well, now, we're looking at 7% mortgage rates, and so he's thanking his lucky stars that he pulled the trigger when he did. But, you know, the focus here is trying to make sure that you're making the right decision about taking on a mortgage at this stage in your life. In your 20s and 30s, a lot of my 20- and 30-year-old clients are very mobile. They're moving around and they're on the go. And in that case, if you're going to uproot in less than five years, it might not be the best time to engage into a mortgage and try to turn around a piece of real estate that quickly. But if you are locked into a location, and now that interest rates are rising, we're seeing some stabilization in real estate costs, it may be the time to look, and then it's time to shop around. And with this mortgage rate environment, we're seeing sellers who are a little bit anxious about selling their property participate in helping the buyer buy down their mortgage rate. It's called a 2-1 buydown, and a lot of mortgage brokers have suddenly started touting this. And what this does, it starts your interest rate out lower for the first two years in hopes that, in the third year, you can refinance at that point. So be flexible is really the mantra to keep in mind, but don't try to buy before you are ready.

- Yeah, and I know that we were talking about, you know, putting money into your employer retirement plan. So, you know, if you're kind of wavering, and you're trying to decide what to do, you know, what would you suggest? You know, try to get in if there's a company match? Try to make sure that you're getting in that company match, you know, if your employer's putting any money in? So you definitely wanna start there. That should be your first goal is to try to get as much money as you can so you can take advantage of that match. So, okay, so we kind of talked about paying down debt, making that decision, and so here's another question that we always get. Should I put money into a Roth, or should I put it in traditional? So we kind of coined the term, to Roth or not to Roth? So let me hear your points and your thoughts about that. Let's start with you, Ted.

- Yeah, I think, you know, it's a confusing point. As long as everything else is under, you've got your debts under control, you have a spending plan as we talked about earlier, all things being equal, a good starting point would be going half and half, half Roth and half pre-tax. Traditional, it's also called. And for those who are not familiar with what Roth is, it's you're using after-tax money and then the growth becomes tax-free. Whereas pre-tax, you're deferring the taxes so, someday in the future, you're gonna pull the money out and then pay your income tax later. And so the younger you are, generally speaking, the longer your time horizon is before you're going to tap on that money, and so the Roth is a valuable tool for that. But if you're starting out and you're at a great salary right now, you probably need a little bit of that pre-tax to help temper what you're putting out in withholdings on taxes. And so you have to look at, you have to work with your tax preparer and try to see how much would be the optimal amount, but a great starting point is half and half. Veronica, what are your thoughts on that?

- I'm a big fan of half and half, especially for, you know, the young investor in their 20s and 30s, and I'm not too far off from that. I would say that half and half is great because you also don't know what legal changes will come over time. You know, there's constant tax changes. We've had a number of them over the last few years, and I think it's not so far-stretched to think, in the next 40 years, there might be changes to either pre-tax, traditional, or Roth programs. You know, I've heard different ideas around, you know, how to pay for Social Security by mitigating some IRA taxes and things like that, and so you just wanna, you know, I call it a hedge against future taxes by doing half and half. The other thing to consider, though, is if you are meeting your employer match, which I hope everybody contributes to their retirement account at least to the employer match so you get, you know, sort of all of the money that's promised to you as part of your compensation package, you know, the big thing is your employer contributions will always be pre-tax, so be mindful of how you're calculating that half and half. You might wanna overweight your Roth contributions by the same percentage of the match so your contributions actually turn out to be half and half. And our team on the Advice Desk can definitely help you figure out that math.

- Absolutely, and, you know, as a reminder, you know, on our website, go out to captrustadvice.com. We have calculators out there, and there's a calculator out there that's Roth versus traditional, so you can put in your actual numbers, and you can see what that is. You can also use our payroll calculator that's out there, and you can actually see what that would look like, how that would affect your take home pay if you're putting in Roth, if you're putting in traditional. So we have a lot of tools, but please reach out to our Advice Desk. And you're gonna hear us say that throughout this presentation because they are readily available, and they're waiting to actually sit and talk to you. So I just wanna look at some of the key takeaways that we kind of talked about, and the first one was, you know, you wanna establish your priorities. Is it student loans? Is it versus your savings? So you establish that priority. Call us at CAPTRUST. We can help you with that if you have questions about that. The next key point that I want to emphasize is set your goals. You have to set your goals. And, you know, you'll see, we're gonna have a video that will actually come out tomorrow in talking about SMART goals and how you actually set a goal. And so SMART is just an acronym that that goal needs to be specific, it needs to be measurable, it needs to be achievable. And so you will utilize that tool, so you'll get that. When you get a copy of this recording, you're also gonna get that LIFE video that talks about the SMART goals. And then the final key point on this before we move on is choose your path. And here it is, to Roth or not to Roth. But keep in mind that once you make a decision, you are not locked into that decision, so if you start off part of the year and you do traditional, and the next half of the year, you do Roth or vice versa, see where you are and you find that sweet spot that works best for you. Oh, my gosh, this conversation's going great, and I'm checking time. So I wanna shift, let's go to the next slide, I wanna shift to the next generation. And this generation is becoming ever more popular, and it's what's been labeled as the sandwich generation. We talk about this internally, but, Ted, for today's audience, I want you to give us a description of what that actually means.

- Yeah, this is a major issue, and it's not just any one generation. It's not like generation X or generation Z or the baby boomers. Anyone can be really affected by this, even people in their 20s or people in their 50s. You can be sandwiched between having children as well as aging parents. And so you could have kids in college, and so you're paying for tuition while your parents are also undergoing some financial stress and you feel compelled to do both. So, literally, it is being sandwiched there, and there's all different varieties, but, you know, literally, Veronica, you wrote the book on this topic, so you are an author, a published author, and you wrote one on this very subject.

- Thank you, Ted. Yes, so, you know, I do have a book out there. It's called "Money Matters: Avoid Getting 'Sandwiched' Out of Retirement" because it can be so stressful to... And I'll raise my hand. I'm in the sandwich generation a little bit, and so, you know, it's so stressful to, it can be so stressful to plan for your own retirement while, you know, putting your kids through school, raising kids, and then trying to figure out how to take care of aging parents at the same time and balance all of it. And the key point that I think, you know, we have a natural tendency to take care of ourselves last when our loved ones are in need, and so it's really how you plan for your own retirement, your own needs, and make sure you don't make your children the next sandwich generation, right? That's really where this comes into play. Now, you know, I'm an immigrant, I come from a family of immigrants, so I kinda knew going in that I would have to take care of my family, but if you're not prepared for that, it can be really, really eye-opening. You know, we talk about long-term care costs or, you know, if your aging parents need support in the home, like, it can be really, really expensive, right? And there are some programs out there that help with those costs, but, truly, it can really, like, derail the best-intentioned financial plan if you don't take these things into account, right? And the main thing is figuring out what the order of priorities is for the generation, right? I always tell people, you know, it's really nice to pay for college for your kids, but if you pay for college for your kids and your retirement plan is at risk, are you going to be comfortable being 80 or 85 years old and asking your kids for money, right? It's important to remember while, like, you pay for college for your kids, it's a beautiful gift. You know, they have working years where they can pay off student loans and things like that, whereas your years in funding retirement may be more limited. So these are all really good balancing items that we certainly hear and talk about all the time.

- And so it kind of makes me think about, you know, we have a handout that's in the handouts section, it's The 25 Documents. And so that 25 Documents, those 25 documents are documents that you need as well as your parents would need. So you wanna make sure, decide whether or not it's a trust or a will, that you make sure that all of those things are in place, the power of attorney or the medical directive. You know, these are difficult conversations to have, but this is all a part of planning, and you wanna have that difficult conversation with your parents, and you also wanna make sure that you have those things set for yourself so that your children will be aware of what you want. You know, I remember, I was in that sandwich generation and I remember, I knew that my mom did not want to be resuscitated. So wherever I took her, and they would ask me, I was like, "No, no DNR, you know, do not resuscitate." I knew that about my mom, and I was very comfortable with that because I knew that was her wishes. So you wanna make sure, in this generation or at any time, you wanna make sure that you're talking about these different, having these documents in place, have them in a secure place, that the benefactors, they know where those documents are, and they're easily accessible in the event that they're needed. So, Ted, is there anything else you wanna add to that?

- I would say that the estate planning, the focus on taking care of kids, you know, people are going to offer to loan money for your kid for college, but nobody's gonna loan you a dime for retirement, and so that's something to keep in mind. Another thing, don't be afraid to ask for outside help because I just had a situation with a client who had an aging parent, and then we discovered that the parent's late husband was a war veteran, and we found that he may be eligible for something called VA Aid and Attendance, which applies to the spouse. So it's a very obscure benefit for veterans and their spouses to help pay for long-term care. So don't be afraid to ask for support and education through an advisor.

- Absolutely. So let's look at these three key, so there are three key points that you know you wanna take. You know, the first one is you wanna prioritize, prioritize, prioritize. I can't say that enough. You wanna make sure that you're taking care and taking care of your parents, that you're taking care of your children. The next one is just what Ted alluded to. You know, get comprehensive fiduciary advice, you know, fiduciary advice where someone is looking at it for the best interest of you. And that's what we do here at CAPTRUST. We give unbiased, customized advice, and we're looking in the best interest of the participant, whoever we're speaking to. You know, we don't have any solicitations, we don't have any products to sell. We are here to actually help you and look at your personal situation and give you advice. And, you know, ever been on an airplane, and what do they say? This next point, put your oxygen mask on first. So if you don't take care of yourself, if you're not healthy, you're not taking care of yourself, your psyche and all of that, then you're really not gonna be any good for anybody else, so make sure that you're putting on your oxygen mask first. So now I wanna go to a quick poll. You all know, those of you who've come to these before, you know we're gonna have a polling question. And so speaking of advice and getting help, how do you prefer to receive your investment advice? Do you wanna sit down with someone in person? Do you wanna do that over the phone? Can you do that virtually, like on a Microsoft Teams or a Zoom call? Or you do not seek investment advice. So let's see how that goes. And what would you say to that, Veronica? I mean, we all need help at some point or another.

- We really do. I would say, this might be an unpopular opinion, but I'm gonna throw it out there anyway, I would say you should prefer to receive it any way that you will actually take it and follow through on the advice given. I think, you know, one of the things that makes, you know, the way we do advice sort of different than others is we really make sure people implement any changes that they intend to make, so whichever way is going to make you implement and actually take the advice you're getting, that's always the best way to receive it.

- And don't hesitate to call us at CAPTRUST. And for those of you who have had the participant experience, you know that we don't speak in any financial jargon. It's very easy to contact us. Go onto captrustadvice.com, click on the little yellow button, give us a name, email address, and a phone number, we'll reach out to you. Or call us on the 800 number, and, you know, there's one prompt, press 2 if you wanna speak to someone in Spanish. And then within 20 to 30 seconds, you've got someone on the phone there to help you. So let's see what these results look like. And so in looking at these results, thank you for launching that poll, Tracy. So virtual meetings. You know, I think that after, you know, the thing that came out of COVID is that, you know, people could do virtual meetings, and a lot of our clients offer virtual meetings that, you know, we can either do a Teams call or we can do it on Zoom. If you're calling on the phone, we have screen sharing capabilities so that you can actually see the inputs and the outputs, and you can see exactly what we're doing. We could do a reverse screen share because we wanna help you execute, so we're gonna take you out to your record keeper's site so that you can actually make that transaction. So we are here to help you. And then there are times when we have on-site meetings where you can actually meet someone in person. But it seems that the overall winner is virtual meetings, 52%. Does that surprise you, Ted?

- No, not at all. It's amazing. After COVID, where we were all working from home, I was astounded at the percentage of my own book of clients who converted over to virtual and have not asked to come in in person anymore where we used to meet all the time in person. And I'm not talking about just, you know, techie 30-year-olds. I'm talking about people in their 60s, 70s, and even 80s who meet with me regularly on a virtual web session even though they could come in and they're not that far away. It's just so darn convenient. And you set up a meeting using a virtual calendar, a calendar application, and meet with your advisor very simply.

- Yeah, and I think the other thing is that when you're meeting virtually, you are at your primary domain, and if you need another document, you can just go over to a filing cabinet as opposed to having to wait until the next day or sending it in the mail or sending it electronically, you can actually give those actual numbers. So, yeah, I understand that virtual process as well. All right, so we have-

- One more-

- I'm sorry?

- One more thing I wanted to add is that is the virtual meetings allow for both spouses to participate easily if they're both at different locations or if they're at work or such, so the scheduling is so much easier now.

- Absolutely. Absolutely. Okay, Tracy, so let's move on. We've got a couple of more archetypes to talk about that I'm really excited about. So, you know, we send out a survey, and I strongly encourage you, we read those survey results, so whatever you say on that survey, good, bad, or indifferent, I read all of them. And so, you know, some of the feedback that we had gotten is that, you know, we always talk about the retiring couple, so I wanna talk today, we're gonna talk about the solo retiree, the retiree, the person that is single or divorced or a widow or a widower. So we wanna talk about how do you plan for your retirement as well because you're on this continuum, and you never know what's going to happen and, you know, the vicissitudes of life, what's going to happen, what you're gonna be faced with. So let's talk about this. So, Veronica, you know, tell me about this demographic and planning, you know, why is it, I know that it's super important, but give me your thoughts on it.

- It's definitely super important, and I think this is one of the ones where it is super important, there's a couple of things. Know what you're retiring to, right? Because you're a little bit less dependent on other people and what their plans are and things like that, so always have a plan of what you're actually going to retire to. But other than that, you know, the solo retiree is someone whose life may not change all that much other than how to fill their time, right? And from a financial perspective, more retirement is really just more time to spend more money. So you wanna know exactly where your money is going to come from during retirement, right? So it's getting really clear on your retirement income sources because dual incomes, you know, if something happens with one source, maybe it's easier because you have somebody else. But for a solo retiree, it's you who has to support themselves, and, as Ted alluded to earlier, no one's lending you a dollar for retirement. So you wanna know what your Social Security benefits are, you wanna gather any pension plans, you wanna figure out, you know, how your employer-sponsored retirement plans can convert to the actual income stream that you need to support your lifestyle and making sure that that income stream can make it throughout your life. And then various planning items might also be important. You know, this is really where you wanna know what's gonna tie up loose ends in terms of who's gonna make financial decisions for you if you're incapacitated or who's gonna make those healthcare decisions for you, going back to those 25 documents, and, related, how you're going to leave the money behind. You know, if you are a solo retiree without children, which we see really, really often, you know, you wanna think about what's important to you. Is it charity that you wanna leave it behind to? Is it maybe nieces and nephews? Is it your best friends? You know, whatever that is. You know, before I got married, I always used to say I'll just leave all my money to my dogs, and so they'd be, like, the best taken care of dogs. So, you know, it's whatever's important for you, and you do need a will still, and you need a way for that money to pass. My dogs can't actually manage their own money, so somebody would have to do that for them. So that's just an example. Ted, I know you have something to add here as well.

- Well, first of all, I love your dog in the background there. You know, the thing about a solo retiree is that, normally, the couples I work with, they're bouncing their vision about retirement off of each other, but a solo retiree doesn't have that intimate partner to run these ideas of what the next chapter looks like. Many of you may get our corporate magazine, or lifestyle magazine called "VESTED," and every cover of "VESTED Magazine" has somebody's next chapter where they made a significant change in their life. But the one thing that you don't have as a solo retiree is someone to create this vision, and having that vision is so important moving into that. As Veronica said, have something to move toward. And so that chapter could be volunteer work, it could be a lot of golf, but, you know, I have found that golf can only go so far. So have that vision, meet with a planner, or meet with somebody who can give you some ideas and just give you the feasibility and give you that feedback, that coaching, if you will. That's so important before you make this transition into retirement.

- You know, there are so many groups, there are travel groups, there's so many things that you could do. You know, and what I find then, when people are going into their next chapter, they're looking for something purposeful, you know, how you're spending your time, and you wanna make a difference, and so there are so many things out there that you can do as it relates to that. So I think what I'm hearing for the key points, the first key point that I want you to bring up, Tracy, is you wanna create a vision for your second act. You know, sit down and write that down, and create that vision. You know, know your cash flow plan. That's the second key point, and you're looking at your cash flow. And so, you know, for those of you who continue to listen to our webinars, first of all, I'd like to thank you for always listening. Last quarter, we did retirement readiness, and we did an entire section on Social Security and Medicare. So you might wanna go out to the website, it'll be the Retirement Readiness from Q3, where you can actually listen to that again and see some key points about Social Security. And the last key point is manage your risk. There's always risk involved. So can you just kind of briefly hit on risk that we're talking about, Veronica? And can you put up that next key point, Tracy?

- Absolutely, so the risks are, you know, what happens. So, of course, there are the risks like, you know, that you wanna cover, like if you get in a car accident or something happens to your home, you wanna make sure those are covered. But, really, the risks we're talking about are longer-term planning risks. So, you know, what needs to, like what's in place that's gonna help you pay your bills in the event that you can't for some period of time? What's in place for long-term care planning? And related to that is really, like, is your home set up for you to age in place, right? So we do a lot with our clients related to this, and I think people, you know, don't pay attention to certain things. Like if you're in a wheelchair, are your doorways wide enough for the chair to move through it? Do you have a bedroom on the first floor? Is there a way you can maneuver around your house with ease if you are disabled so that you can live independently for as long as possible? And so those are the things that become even more important as a solo retiree.

- And those things may not happen to you, but you just wanna make sure that you are prepared. You know, I know I've had friends who are retired, and they moved to a single-story as opposed to the stairs, and they're thinking about buying something else, and it's like, no, I need a single-story so that I don't know, you know, I'm healthy and fit, but I don't know if I'm gonna wanna go up and down stairs when I'm 95, right? So you wanna make sure

- For sure.

- that you're preparing for that. All right, so I wanna shift a little bit. I wanna do another poll. And for that poll, you know, I wanna know, in talking about planning and talking about getting investment advice, when was the last time you completed a Retirement Blueprint with CAPTRUST? And the Retirement Blueprint, it is a tool that we use to navigate the conversation, and so we can create this analysis for you. We wanna see where you are. What have you saved up until this point? What is the likelihood of you hitting your goals at your time of retirement? And, once again, going through this tool, this very comprehensive, robust tool, you do that with one of our advisors because, listen, there are a lot of tools out there that your record keeper has and they're great tools. And a lot of those tools, you work with them independently, you're doing it yourself. Well, you know, the data is the data. What we wanna know at CAPTRUST, we wanna know the why behind the data. You know, where are you, what have you set aside? What other assets do you have that you could include in this analysis? And we can look at you, we can look at your spouse, and it can be a comprehensive, robust offering to have that blueprint done. You can have as many blueprints done as you want. You just simply set an appointment. We'll take you through that tool. So I strongly encourage you to at least have that done. And it's foundational. We're in the planning stages. We wanna see where you are as it relates to your retirement. But if you continue doing the same thing that you're doing right now, what is the likelihood that you're going to hit your goals? Because you've created that vision, you know what you wanna do in your second act, so what's the likelihood of you hitting your goals based on what you're currently doing? And if you're gonna hit your goals, we can do some projections, we can do different scenarios. And then once you have that blueprint done, we're gonna reach out to you a year later and see if you've had any life changes or anything where you need to have another blueprint done. So for that 61% that has never had a blueprint done, we are waiting by the phone for you to call, waiting on by the website for you to set an appointment because you have not lived until you've had a Retirement Blueprint, and you wanna make sure that you're doing that. Less than a year, 13%. I am really amazed at that result of I've never had a blueprint. And for that 9% that don't remember, then perhaps you should call and set an appointment this week so that you can get a blueprint done. Any of those results startling to you? I'm really startled at 61%, I really am.

- Well, I'm not, Debra. I think that statistics have shown that people spend more time planning a vacation than they do on retirement. And so it's just one of these things that's so easy to put out of mind, but hopefully we're making some impact here.

- Yeah, and I'm not here to guilt you into having one, but call us and get a blueprint done. All right, so let's move on, and now let's go to the retiring couple. So, you know, Veronica, is there anything that's really different about, you know, planning for retirement if you are a retiring couple or if you're a solo retiree?

- Well, this is really, the thing that's different is really budget management together, especially if a couple retires early. So, you know, when I see my clients retiring at like 55 and there's two of them, they're, like, ready to travel the world together, whatever it is. It's exactly what I said earlier. You have more time to spend more money and do more things and enjoy your life, and that's a beautiful thing, and you need to assess if you can afford to do it long-term. And I think that this is also, you know, having a vision applies to couples, too, 'cause you wanna know what you're retiring to. I've also, unfortunately, and I'm sure Ted has seen this, too, seen couples break up because, you know, when you're at work, we've had lots of people, you're at work all the time, you're both at work all the time, and then you retire, and now you're together all the time, and that's a very different relationship, right? And so it's sort of figuring out what that looks like and what the experience of retirement really looks like as a couple, how you spend your time. And, you know, I think it keeps you more energized to figure out what that actually is because no one retires and sits around for very long. You know, there's only so much on Netflix, I promise, that you run out at some point. And then, really, I think it's really planning cash flow. Cash flow planning is so, so important for couples because it's really easy where someone, if you've been working really hard, you get some pent-up energy to go out and travel the world and spend money, and then, all of a sudden, the cash flow is totally out of whack, so cash flow planning becomes super, super important. Ted, do you have anything to add to that?

- Very much so. I mean, a reality, and this is something that's harder to face, is the fact that it's a retiring couple, but it's somewhere down the road during this journey, the couple becomes one again, and it goes back to that solo retiree. And, suddenly, the Social Security is cut in half, and then the pension might continue on or it might not, if there is one, and so there has to be that transition and anticipation and planning for what does that look like financially in terms of cash flow. So survivorship becomes a topic that needs to be addressed at some point in the future, so I think that that's something that needs to be looked at and, you know, as Veronica said, that budgeting. I like the word spending plan because people seem to have a more mental affinity for that as opposed to budget. Budget always has this negative connotation, but spending plan, people like. So making sure that, at the beginning of your retirement, you're spending a lot on vacations, but as you age, you might be spending more and more on medical-related needs and expenses as well. So anticipating the realities of aging in place and that a couple becomes a single eventually at some point too.

- Yeah, very good point. I like that. I like the term too. I like spending plan better than budgeting as well. And, you know, some of the time, you know, when we do some of our presentations speaking to clients, we might have someone just track their spending for 30 days and just really see where your money is going. And sometimes you can find some hidden dollars, and it's really mind blowing, you know, when you think about, okay, so I have Netflix, I've got Hulu, I've got Apple stream, I've got Amazon Prime, you know? And you think about all of that, and do you really need all, do you really need all of those streaming channels as to where you can probably find money to cut back? So we're coming in tight on time, we're doing good, we're doing good, but I do wanna talk about the key points of what I'm hearing because I do wanna get some questions in. I think I heard you say determine what you are retiring to, and that's whether you are a solo retiree or a retiring couple. And then you wanna manage your budget. And I think that managing your budget is extremely important when there's no more money coming in as far as on a regular cycle where you're working. But you need to manage your budget whether you're in your 20s or 30s, the sandwich generation, all the way to the time that you're retiring, so managing your budget never stops. And the last key point is plan your legacy. I think, Veronica, you said earlier, you know, who are your benefactors? You know, choose your benefactors wisely, and that might have to change, who your benefactors are. If you have children, think about who's going to take care of your children in the event that something happens to you. And I'm telling you, that is a conversation, difficult conversation, but that's a conversation you need to have because just because that's your sister or your brother, they may not wanna take care of their nieces and nephew for the rest of their life. But, Veronica, that thing about your dog, I am really gonna put in... I'm bidding for that. So if you're leaving everything to your dogs, I'll take care of them.

- I was gonna say, I have a 10-month-old son now, and I think he might be a little upset if I prioritized the dogs at this point. But I did wanna add one note to the planning your legacy. It's also really important to think about, if you do have children, how they will inherit their money. So you have choices on whether you leave it to them outright, in trust, which means with a gatekeeper, you can kind of give them creditor protection that they can't give themselves, protection from divorces, things like that. You know, you have to talk to a qualified, trusted estates attorney about this to actually execute the plan you're looking for, but planning your legacy doesn't just include what you're going to leave to people. It's how you're gonna leave it behind, what access they're going to have, what they can spend the money on and how soon. So that's really, really important because how someone inherits their money could impact, you know, maybe government benefits if there's a special needs situation and other things like that that you definitely wanna be mindful of. And I always say, like, have a meeting with a trusted estates attorney, have a good phone call, we can certainly put you in touch with somebody qualified in your area, and, you know, really figure out how your beneficiaries will sort of carry forward your legacy based on your vision.

- Would you like to add anything to that, Ted?

- I definitely want to add to those very good points the fact that how your beneficiaries receive your assets can be taxed in very different ways. So some assets, your beneficiaries will receive a step up in basis, and in plain English, that means they get a huge tax break if they inherit highly appreciated assets. Whereas if they inherit a retirement plan, a pre-tax retirement plan, the new laws, the SECURE Act requires those beneficiaries, probably in their peak earning years, to pull everything out in a 10-year window, and that could really be at a very high tax rate. So some really good planning can help offset this and also may benefit some charities. So you need to ask yourself, if you are charitably inclined, to plan things out so that the right assets go to the right beneficiaries, whether they're a charity or whether they're the next generation.

- Absolutely. Oh, my gosh, such great information. Man, I cannot thank you guys enough for being here and for sharing this wealth of knowledge. And so I think I wanna go and kind of see... Well, we've been saying this throughout, go online to captrustadvice.com. If you're going to schedule an appointment, you can schedule an appointment as late as 8:00 PM Eastern Standard Time Monday through Thursday, on Friday, 8:30 AM until 6:00 PM. You can always call us directly 8:30 until 5:30 PM Eastern Standard Time, Friday, 8:30 until 4:00. So I'm gonna leave this slide up, and I am going to ask my colleague and my friend, I have a lot of friends at CAPTRUST, Wes, Wes, I think you've been kind of looking at the question pane. Are there any questions or anything that you wanna illuminate during this time?

- [Wes] Yeah, yeah, thanks so much, Debra. And, you know, while we weren't asking for questions 'cause we have a lot of people on here, it's hard to get to everybody's questions. You know, that's why we encourage you to call, set an appointment. I did get a few and some themes that I'll certainly throw out to our esteemed panelists here, including yourself, Debra. So, you know, one of the things, real quick, Ted, a few people asked for clarification on the VA Aid assistance. Just can you, real quick, what was that? Where could they get more information on that there?

- Simply, Wes, it's a great question. It's called VA Aid and Attendance, and it's a subset of the VA pension, and it has nothing to do with an income pension. It's really about assistance for long-term care. If you google VA Aid and Attendance, you'll get a lot of hits, but go to the Veterans Administration website. There's a lot of third parties who will help you get that but for a fee, and you should be able to apply for this on your own. The eligibility requirements and the amount of time in the service are all outlined there.

- [Wes] Excellent. Thank you so much. And, Debra, this one's for you. So a lot of folks were asking, "If I call CAPTRUST, set an appointment, do I have to pay a fee? Or what's the cost to to meet with CAPTRUST?"

- That's a very good question, and we get that question quite a bit. And so we are positioned as a part of your benefits package so there's no fee, there's no bill that you get. You can set that appointment, speak to an advisor. And the other thing that I wanna say, you know, our advisors are seasoned professionals. They are all licensed, Series 6, 63, 7, we have CFPs, CPAs, we have a wide array, so they're all professionals, and so, you know, industry experience average is anywhere from 15 to 18 years, so you're speaking to someone seasoned. So this is a part of your benefits, so that's why I strongly encourage you to reach out, even if you just wanna get a second opinion, if you have an advisor and you wanna get a second opinion about some advice that you've gotten somewhere else. But there is no charge to call us.

- [Wes] And around that, Debra, can you just say some of the things that are maybe good to have for your appointment?

- Oh, absolutely. So any statements that you might have, you wanna definitely bring in your login and your password. You'll need that because we want you to execute on the advice to your record keeper. But bring any statements that you have. If you worked at the ABC company, you have an old 401k, a 403b, or a 457 or any other type of retirement plan. If you have a pension statement, if your employer offers HSA, if you have that statement, you know, if you have a large sum sitting in a checking or a savings account, bring those statements. So all things financial, bring those statements with you for you and your spouse or partner because we wanna look at you holistically and looking at your household.

- [Wes] Excellent. Thanks, Debra. And, obviously, the elephant in the room lately has been the markets. You know, it hasn't felt too good this year. Our CEO once told me, you know, "I know what the markets are gonna do. They're gonna go way up and they're gonna go way down. I just don't know in what order." And so we don't know what the markets are gonna do, but, you know, some people are getting closer to retirement, they're seeing these downturns in the market. So, Veronica, we'll start with you. You know, what are the conversations you are having with your clients that are kind of in that position, and how are you helping them get through this time? And then we'll toss it to Ted after that for him as well.

- For sure, so I like to say that I'm a historian, a market historian, and if you look through all of history, you can track all of the downturns. And, look, the average bear market, since 1926, happens once every 7.7 years, it lasts about 15 months, and there's an average downturn of about 39%. And if you're tracking the market this year, as bad as it sounds, we're nowhere near that in terms of the stock market. Where it's really hurting people this year and it's the worst time in history for, like, a 50/50 blended portfolio. Fixed income is really having a tough run, one of the toughest, and it's because, again, as a study of history, this is the fastest the Federal Reserve has ever raised rates. So going even back to the '70s, you know, we had rate increases, but to get to where we are now, it took over 15 months, it didn't take 6, so the Fed has just gone much faster. So I think just studying history a little bit gives you a sense of calm, you know, 'cause history maybe doesn't repeat itself, but it certainly rhymes. So I don't know, I have no crystal ball on when we'll turn around, but I do know we will. Everything will come back, and everything will be fine. Also important to note, you know, as I quote market history, if you look at average downturn, so, like I said, the average downturn lasts about 15 months, is down about 39%. On average, one year later after a correction, one year later from the very bottom of the market, the market is up about 48%. So, you know, if you think about, we're down a little under 20 now, actually, and we're hovering right around 20% down if you look at the S&P 500. Even if it goes down further, let's say it goes down another 20% to meet the bear market, that means that from today, a year from today, you'd still be up 28%. So what I always say is, assuming you have the right asset allocation for your risk tolerance, for your financial plan, for your cash flow plan, the best thing you can do is stay in balance and stay on course and don't do anything dramatic.

- [Wes] And, Ted, your thoughts there on, you know, the conversations you have, especially those getting ready for retirement.

- Yeah, no, for those who are in the middle years, you remember you're buying shares that are on sale with the market down, so just keep putting in your contribution, your deferrals, and you're getting more shares for those same dollars, okay? But for those who are approaching retirement, I call this the glide path, you're getting close to there. Just because you're entering retirement doesn't mean that you're going to go all to cash or all to fixed income at that point because as you enter retirement, you're going to need short-term money, cash, intermediate-term money, typically fixed income, but you're going to need money for your 70s, 80s, and 90s as well. And those funds need to keep up and beat inflation significantly to pay for long-term care and assisted living, so you're going to still have an array of different assets in your portfolio. So, again, call CAPTRUST, call our line, and just get the guidance if you're approaching retirement so that you can get that blueprint done.

- [Wes] Yeah, and we had a lot of questions about where do I find the previous recordings. You know, we do these webinars typically on a quarterly basis. All of the past recordings and other videos that we make available and send out are available on captrustadvice.com. There is a

Videos section under Resources so you can go directly to that, and I did put the link in the chat. I had some questions about our tools and calculators. There's a Calculators section of the website there. And I did have some questions about the "VESTED Magazine." The digital version is available on our main website, captrust.com. So if you just go to captrust.com, you'll see that "VESTED Magazine." So a few other questions as we get closer, mainly just one or two more before we... You know, I had a few people saying, "Hey, I'm maxing out, you know, my retirement plan. What do I think about next with my money?" Veronica, if you have someone saying, "Hey, where's that next dollar go?" What's that conversation like?

- Absolutely, so that really depends on your goals. So if you have debt, if you're maxing out your retirement plan and you have debt, it probably goes to debt. If you don't have an emergency fund in place, it goes to the emergency fund 'cause that's the next place. If, let's say, you have an emergency fund in place, you have no debt, and I'm not counting mortgages as debt, I'm counting, like, credit card debt or student loans or something like that, then I would say if you are in the right income brackets, a Roth IRA or an IRA are a great idea. And if you're not in any of that, then a personal taxable brokerage account is a great way to personally, to take your funds and invest them. And that's also a great way to save, accumulate, and invest for personal goals outside of retirement in general. So beyond your cash reserves or emergency funds, you definitely wanna be investing outside of your 401k as well, or retirement plan of any kind.

- [Wes] Yeah, you know, it's constantly revisiting. Again, as we started this presentation, we talked about you have to have a plan, but we need to also revisit that plan over time as life changes and decide where's the right places for my money to go. And those are the conversations our advisors have all the time with participants. You know, "Hey, what's the best place for my money there as well?" So, real quick, one more question. Ted, if someone said, "Hey, I don't have a will. How do I even start the process? Or I'm thinking about getting a trust. How do I even start the process of something like that?" You know, what resources, or where would you tell them to kind of start? Or where, ultimately, do they need to go to get something like that?

- A good trust or wills attorney would be the best place to start. You can get a referral. Every state is different, so you wanna stay local within your particular region and find a referral for someone. Ask your CPA, ask a financial advisor for a referral for an experienced attorney. And something I'd like to add is that you want someone who's probably in roughly your age bracket because a problem in a will or a trust that's written isn't going to materialize for many years from now, and if he's long gone or retired or she is long gone and retired, it may not do you that much good. So you wanna look for somebody who's gonna be around for a while, of course. You can do it yourself. This is such an important set of documents, I'd be very hesitant to do it myself. I did not. And so I think that having a professional attorney is very important.

- [Wes] Thanks, Ted. We, again, have that 25 Documents handout. Certainly grab that from the handouts section. We will be emailing it. You should receive a link to the recording in the next few days with a few other articles and resources and the link to the handout just in case you didn't download it today. So if we didn't get to your question, certainly give us a call. I'll turn it back to you, Debra, to wrap us up.

- Thank you so much, Wes. Again, thank you for everyone that took time out of their day to listen to this webinar. Veronica, Ted, couldn't have done it without you. Thank you so much for your invaluable information. And so, everyone, have a great day. This ends the presentation. You will receive a copy, as Wes noted, in the next 24 to 72 hours, so please be on the lookout for that and the additional LIFE video about SMART goals. So again, thank you, stay safe, and enjoy the rest of your week.