



What Is the
**Safe
Wealth
Plan?**

If you read financial newspapers or watch financial television, you might believe retirement planning is divided into stocks and bonds. But is that reality? Would you be surprised to learn that the financial world is not divided into just stocks and bonds but also includes several other tools that are far less risky and can help you with retirement?

We define a “Safe Money Place” as one where it is highly unlikely that a person will lose their interest and principal. In contrast, stocks, bonds, exchange-traded funds (ETFs), and mutual funds are what we consider “Risk Money Places”, which are ones where you could lose your principal and gains due to circumstances beyond your control.

Without a doubt, we live in financially uncertain times. Whether or not the trend ceases soon remains unknown. For you, it’s prudent to assume that uncertainties will last – perhaps even well into your retirement.

For this reason, it’s time to do away with the old ways of doing finances. Gone are the days when pensions, Social Security, and personal savings sufficed for people in the pre-retirement stages of their lives.

Instead, you need a paradigm shift in your financial planning, accounting for uncertainties, essential expenses, and, of course, some financial wiggle room.

This is where a Safe Wealth Plan comes in.

With a Safe Wealth Plan, you can cover your basic expenses, live well in retirement, and ensure you enjoy your retirement regardless of how long you live. Read on to learn more about what we call the Safe Wealth Plan.

What is a Safe Money Place?

Safe Money Places are exactly what they sound like. They are places to put your hard-earned retirement money where it is very, very unlikely that a person will lose their principal and interest earned. What that means is that the odds of losing money because the Safe Money Place failed are very low. That is not to say impossible, nothing in life is impossible, but based on history a Safe Money Place should at a minimum return your money to you, unless you make the decision to surrender them early which is entirely in your control.

 Safe Money Places	 Risk Places
Certificates of Deposit	Stocks
Fixed Indexed Annuities	Bonds
Fixed Annuities & MYGA's	Mutual Funds
Money Market Accounts	Commodities
Savings Accounts	Exchange Traded Funds (ETF's)
Savings Bonds	Real Estate
	Currencies & Cryptocurrency

A Risk Money Place is one where your principal and interest, or gains, can be lost due to circumstances beyond your control. There is absolutely nothing wrong with allocating part of your retirement nest egg to Risk Money Places, which you would expect to generate a higher rate of return than a Safe Money Place could in order to compensate you from the risk of loss.

What is the Safe Wealth Plan?

What a Safe Wealth Plan does is help you allocate your retirement between Safe Money Places, and Risk Money Places in a manner that ensures your most important expenses are covered by your Safe Wealth Places for the rest of your life so if you Risk Money Places lose money, your essential life expenses are not put in jeopardy.

What we call the “Safe Wealth Plan” is a retirement income planning method that we believe can help many people live a rewarding life during retirement while providing peace of mind by knowing that you will not run out of money during your lifetime.

We live in very uncertain times, but let’s be honest, aren’t all times uncertain? Uncertainty isn’t new, but what is new for the pre-retiree getting ready to retire or the recently retired person is that the impact of uncertainty on your financial wellness grows exponentially when your income is solely dependent upon your savings, social security and possibly your pension income.

Another term for uncertainty is risk, and the Safe Wealth Plan method is designed to significantly reduce your financial risks in retirement to give you PEACE and confidence that you can live comfortably in retirement, and you won’t outlive your retirement income.

Indeed, pensions, 401(k)s, and savings may get you through a few years of retirement. But do you only plan on being retired for a few years? Probably not. You'll likely want a steady cash flow to last you until the end of your life and your significant other capable of funding your most important expenses. A Safe Wealth Plan is designed to take into account that we are living longer as a species, and our retirement plan today must be able to support us for a much longer time than our parents' retirement plan did.

The Big Three Questions

Reflecting on your finances and retirement is an exercise in self-examination about how you live, what's important to you, and your ability to accept losses in your retirement funds. Getting to the root of these issues will help determine how you can manage your wealth before and during retirement to meet your objectives.

The first step in constructing your Safe Wealth Plan is to know where you are now and where you want to be. No one else can answer these questions for you, but an experienced agent or advisor can help you ask the right questions. In this first step in constructing your Safe Wealth Plan you should be defining:

1. What are YOUR purposes for your retirement savings accounts?

For many, the answer is the same – to cover living expenses during retirement. However, we encourage you to think carefully about your answer because it will matter later on.

Do you have a retirement savings account just to cover your basic needs? Will you use a portion of it for your grandchildren's college funds? Are you planning on relocating?

2 . What is YOUR time horizon for each of your purposes?

Financial planning is a timeline-centric game. As you zero in on your purposes, it's important to know the time horizon for each Purpose. This is imperative to ensure your funds will be sufficient and available when you need them for each purpose you identified in the first step

3. What is YOUR tolerance with risk? Or said another way, how much loss in your retirement accounts are you willing to accept?

This will be a personal decision on your part. In this very important step, you need to determine how much you can accept to lose. One commonly asked question is, "If you made 5% more next year in your investments, would it change your life?" But if you lost 20% of your retirement nest egg, would that change your life? Only you can answer these questions. Once you've identified how risk-taking or risk-averse you are, you'll allocate your retirement funds between Safe Money Places and Risk Money Places which align with your risk tolerance.

Your “Must Have” Expense Budget

Next, you will need to begin to assemble a “Must Have Expense Budget”. Your Must Have Expense Budget is an integral part of assembling Your Safe Wealth Plan, and it should include your expected daily living expenses such as food, shelter, clothing, healthcare, long-term care, life insurance, auto expenses, gas, utilities, etc. And don’t forget TAXES! We’d all like to assume that we don’t pay taxes in retirement, but unfortunately, we do.

Your Safe Wealth Plan “Must Have Expense Budget” should also include your “must haves” that you want to ensure you can fund during retirement. Again, these are personal decisions that an experienced agent or advisor can help you think through. These may include travel expenses, golf memberships, art classes, boating, or fishing activities, for example. Basically, these should include any expense that you want for certain will be part of your retirement.

An integral part of The Safe Wealth Plan is to attempt to ensure with near certainty that your “Must Have Expense Budget” is covered throughout your life, and you cannot outlive it.

How to Fund Your “Must-have Budget”

Using the Safe Wealth Plan method, your “Must Have Expense Budget” should be funded with guaranteed income sources that you cannot outlive. The first two sources of “guaranteed lifetime income” include your social security payments and your pension income (if you’re lucky enough to have

one!). Very often, these two sources are not sufficient to completely cover your Must Have Expense Budget. An often used additional source of “guaranteed lifetime income” is a fixed annuity with guaranteed lifetime income. An expert licensed agent can help you evaluate the many options and companies available in the marketplace to determine what may be the right option to meet your Safe Wealth Plan goals.

The next step in assembling your Safe Wealth Plan is to allocate your remaining retirement assets according to your risk tolerance and goals. For example, you may want some exposure to the public equity or debt markets to get some growth potential, but you don’t want to suffer losses. A portion of your remaining retirement assets could be allocated to this “bucket” we call “Growth Potential Without Loss”. Or, you may want guaranteed income for a period of time that will pay you a fixed amount for 3, 4 or 5 years and you don’t want any risk of loss. We call this bucket the “Guaranteed Income Without Loss” bucket. You may also be ok with a portion of your retirement savings being exposed to market losses to try and achieve greater growth. We call this bucket the “Growth With Risk” bucket.

There is no right or wrong answer when allocating your remaining retirement assets into these “buckets”. These allocations are based on your specific Purposes, Time Horizons and Risk Tolerances (remember Step 1?) You may not allocate funds to each bucket and the amounts allocated to each bucket will differ for everyone. Working with an experienced agent or advisor can be very important to help you answer these questions for yourself and your family and determine the possible products or investments available within each “bucket”.

Growing Your Remaining Retirement Assets the “Safe Way”

Planning and funding your must-have budget is all about keeping you safe financially. However, what do you do if you have assets left over after you’ve planned and funded your must-have budget? Now, we can start venturing into investments, or Risk Money Places.

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Do You Have Questions About Creating a Safe Wealth Plan for You? Schedule a No-commitment Consultation

When it comes to finances and retirement, you need a plan. Let us help. If you've got questions about the Safe Wealth Plan or want to get started, schedule a no-obligation consultation. The licensed agents and advisors we work with at Safe Wealth Plan have been trained on the Safe Wealth Plan. Schedule a no commitment consultation with a certified Safe Wealth Plan agent now to discuss how to get your Safe Wealth Plan started today.





Speak to a Safe Wealth Agent

safewealthplan.com