THE Retirement Question:

At a recent Social Security workshop I presented I was asked the question on every baby-boomer's mind these days, "What should I do with my retirement funds with all this volatility in the stock market?"

The answer is not simple, but is not as complex as many would have you believe. The question "presumes" that one does not want to, or can't afford another '08-'09 catastrophe, in which many who were planning retirement were forced to postpone their plans until their accounts "re-gained" their lost equity. You probably know somebody like that.

The question implies a "time factor"--- essentially saying, "I don't have the time to wait to have the market rebound from a steep plunge in values." (about 4-5 years typically).

The underlying assumption in the question is that "one needs the money to live-on", and any prolonged market down-turn will directly affect the quality of one's retirement lifestyle.

THE Answer:

Of course, not everyone has similar interests, finances or economic conditions, but there are a few commonalities which can be considered:

1.) **If you are planning retirement within the next 4-5 years, you need to get real safe with your money now. You don't have the time to wait to earn it back in the event of another financial meltdown …over which you have NO CONTROL..**
2.) **If you are relying on that retirement fund to help "guarantee" your expenses after you retire, then does it make sense to chase an extra few percentage points in this volatile market?** ***You are gambling the security of your retirement in the market !!!***
3.) **We all have short memories, and we certainly don't like being reminded of difficult times or events. We don't want to remember what happened to us, or our co-workers in '08-'09, and the financial upheaval that those considering imminent retirement suffered. The dilemma: how to get safety AND still get reasonable growth?**
4.) **To compound market volatility these days, however, is that for years the government pumped $85 Billion a month into a phantom economy to essentially postpone another huge market downturn. Artificially suppressed interest rates provided an illusion of economic"well being". The result? Potentially massive inflation which will erode the buying power and value of our retirement funds**

Am I right ???

Look, the market has always rebounded from the kind of volatility we are seeing these days. It will surely continue on this cycle but over a period of years. If it is down when you want to retire…and you need your market equity to live-on, then you either postpone your retirement (til the market comes back), or you accept a lesser standard of living due to reduced value of

your funds. Timing is crucial and you can't control the market. (I suggest you google "Sequence of Return Risk").

I guess I'm "right" if you want me to be. Or, I am wrong because you don't want to consider the economic realities of the times. Perhaps your situation is different, and you have the time to "let the market ride". In such case, absolutely go for it!

<u>The Alternative "ifs", "ands", or "buts":</u>

<u>IF</u> you will need your TSP, or retirement funds to help pay your living expenses…
<u>AND</u> you are approaching retirement age, or making retirement plans…
<u>BUT</u> you find yourself "stuck" on the market merry-go-round…

Then you need to educate yourself about the choices and options you have available to <u>GUARANTEE INCOME, PARTICIPATE IN MARKET GROWTH WITH 100% SAFETY, HAVE CONTROL AND ACCESS TO YOUR FUNDS AND PROVIDE FOR YOUR BENEFICIARIES.</u>

IT'S NO LONGER A CHOICE BETWEEN "SAFETY" <u>OR</u> "GROWTH".
YOU <u>CAN</u> HAVE BOTH…AND CONTROL OF YOUR FUNDS.

If you would like to discuss your retirement plans, your TSP options, your social security benefits, or the contents of this email, call me to schedule your own confidential, no-pressure, free meeting.

"It all starts with education"

Jim Junge
Federal Benefits Counselor

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