LEARNING TO CLIMB DOWN THE MOUNTAIN
SUCCESSFULLY PLANNING FOR RETIREMENT

Written by J.K. Klaiber
For most of us, climbing a mountain can be just as intimidating as planning and achieving our financial goals in order to ensure the comfortable retirement that we’re looking for.

“For climbers on Mount Everest, more accidents, injuries and deaths occur on the way down, not on the way up,” says Jack Peters, senior vice president of Horter Investment Management. “Similarly, the decumulation phase of retirement is more vital and more important than the time spent in financial accumulation.”

As times change, many fear they might outlive their retirement savings.

“People are living longer and living healthier lifestyles. If you have a couple that is 65 years old today, there’s a very high likelihood that at least one will live into their 90s,” says Peters. “Today, we need to plan for a longer retirement.”

Many retirement funds are placed into the fluctuating stock market.

“We know that market recessions happen every five to seven years so this couple that needs to rely on their retirement fund for 30 years could potentially face five or six of these periods,” says Peters. “The last recessionary period was from 2007 to 2009 and people lost significant portions of their nest eggs. Our firm strives in protecting client portfolios in these times. Tactical Asset Management helps protect client portfolios by being defensive in bad times and opportunistic in good times.”

A volatile stock market isn’t always the greatest risk retirees must face.

“When a couple retires, there’s a great chance that one of them will require long-term nursing care at some level,” Peters says. “It could be assisted living, in-home care or living in a retirement community. And the cost of that care is outrageous.

“Some of these costs could top $80,000 a year and not many people can sustain that kind of outflow while still ensuring the other spouse is living a comfortable, dignified life. It can be a hard conversation to have, but people need to see if they could financially make it through such a risk.”

One of the most common mistakes Peters sees is when people begin planning for retirement too late.

“Think about this: most people will spend more time planning vacations than planning their retirement,” says Peters. “We spend more time on itineraries for sight-seeing during seven-day vacations than we do on securing our lifestyles and knowing we can live with dignity for 30 years.

“Starting this planning while you’re young is ideal. And it’s not only about building your savings – that’s just one piece. It’s also looking at proper life insurance planning and digging into retirement contributions. Really educating yourself about the options that are out there.”

Just as you shouldn’t go mountain climbing alone, Peters recommends tackling retirement with a team.

“It’s so extremely important to find a financial advisor that you can trust,” says Peters. “They’re like Sherpas that are experienced guides who can lead you up and down mountains successfully.”

People often need an outside, experienced look at personal investments.

“We’re emotional beings,” says Peters. “The average person tends to do the wrong thing at the wrong time the majority of the time. Most buy stocks high when they see they are doing well. Then when they see a downturn in that stock they get scared to death, decide to bail and sell low.

“Advisors can often act like psychologists and keep people in their chairs and off of the ledge when those downturns occur. And they happen on a fairly regular basis. They need the level-headed advisor to let them know everything will be OK with the proper investment strategy.”

Peters also stressed the need for people to educate themselves and analyze their own situation.

“Like a mountain climber, you need to ask yourself ‘Where am I at now and where do I want to be? What could cause me to fall off the mountain? What are the pitfalls along the way?’”

– Jack Peters, Senior Vice President

LIKE A MOUNTAIN CLIMBER, YOU NEED TO ASK YOURSELF ‘WHERE AM I AT NOW AND WHERE DO I WANT TO BE? WHAT COULD CAUSE ME TO FALL OFF THE MOUNTAIN? WHAT ARE THE PITFALLS ALONG THE WAY?’”
“Listening to the talking heads on financial news shows is the worst thing you can do,” he says. “You need to realize that it’s just noise that causes people to react and it’s exactly what Wall Street wants us to do to keep us buying and trading every day.

An advisor can help you stay in the saddle and learn how to eliminate that constant background noise that will always be there. The advisor can help you find a good, solid investment plan to better navigate retirement.”

Horter Investment Management offers classes on retirement planning for no cost or obligation, but advanced registration is required.

“These courses are offered throughout the year and are for people who are in the early planning stages of retirement or for those about to retire,” says Peters. “People who attend the class receive financial tools that help them better understand all of the risks facing their retirement plans and addresses those hard-to-make retirement decisions.”

One subject brought up at the course is the idea of retirees downsizing to a townhouse or condominium.

“The people who are most stressed in retirement are those who still have a fairly substantial mortgage,” says Peters. “Sometimes the cost of downsizing is still the same cost as a couple’s current home. It’s better to shed your mortgage before you retire and avoid that crimp in your lifestyle.”

Peters also pointed out a common mistake many people make.

Horter Investment Management is located at 11726 Seven Gables Road, Symmes Township, Cincinnati, OH 45249. For more information, call 513.984.9933 or visit horterinvestment.com.

For more information about Horter’s education classes please visit www.horterinvestment.com/education.

Investment advisory services offered through Horter Investment Management, LLC, a SEC-Registered Investment Advisor. Horter Investment Management does not provide legal or tax advice. Investment Advisor Representatives of Horter Investment Management may only conduct business with residents of the states and jurisdictions in which they are properly registered or exempt from registration requirements. Insurance and annuity products are sold separately through Horter Financial Strategies, LLC. Securities transactions for Horter Investment Management clients are placed through Trust Company of America, TD Ameritrade and Jefferson National Life Insurance Company.