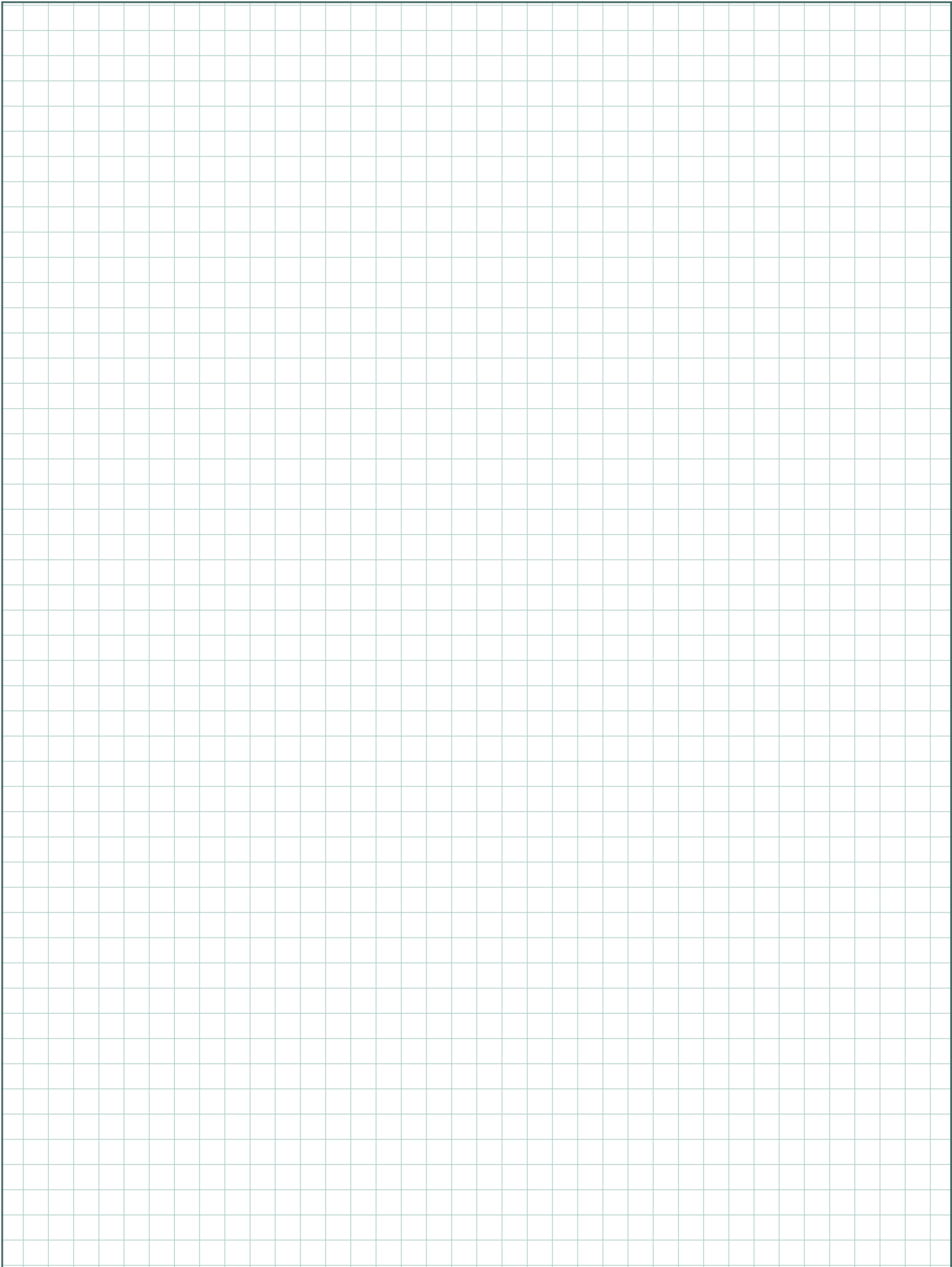




**The Retirement  
Confidence Creator™  
INSTRUCTION GUIDE**



**The  
Relaxing  
Retirement  
Coach, Inc.**



# Welcome to The *Relaxing Retirement Coaching Program*™

**Where you develop and maintain the supreme financial confidence you need and deserve to liberate what you've saved so you can live the life you've earned!**

*Supreme Financial Confidence* is what you need and deserve at this critical stage in your life, and it is precisely what The *Relaxing Retirement Coaching Program*™ was created to help you develop and maintain.

For three decades, we have met and worked hands-on with hundreds of individuals and couples who have accumulated a lot of money by most people's standards.

Yet, prior to joining The *Relaxing Retirement Coaching Program*™, many of them lived their lives with a considerable amount of anxiety.

## **Financial Confidence**

The intriguing and complex phenomenon we discovered over all these years is that the small percentage of Americans who exercised the most discipline and took pride saving and investing a large portion of their earnings during their working years in Phase One is the same minority who has the hardest time “flipping the switch” during Phase Two of their financial lives and relying on and spending The Retirement Bucket™ of investments they've built up.

Unlike the tiny percentage of the population who live exactly the way they want in Phase Two without depending on income from work, far too many live in constant fear that they are going to run out of money. And, this severely limits the lifestyle they have earned.

Unfortunately, maintaining your financial confidence in today's ever-changing and fast-paced world is more challenging than ever. There are **obstacles** confronting you at every turn.

## **Lack of Successful Role Models**

The first, and quite possibly most challenging obstacle you face is a lack of successful role models. There are two factors which give rise to this.

First, from a historical perspective, for anyone other than the super wealthy, i.e. the Carnegies and Rockefellers of the world, the whole concept of “retirement” (*or financially supporting yourself without income from work*) has only been in existence for less than 100 years in human history. Before then, “retirement” didn't exist.

Everyone either worked until they passed away, or they lived with and were supported by their families. So, there is no long history of how to independently retire successfully.

The second factor is extremely unfortunate, but true. Even with the explosion of information, education, and technology in the area of personal finance, statistics continue to reveal that only a tiny percentage of Americans reach financial independence by age 65, while the overwhelming majority do not.

A September 2016 study by the *Center for Retirement Research at Boston College* revealed that the total combined balances in IRAs and 401(k)s for households approaching retirement was only \$135,000. Only about half of households had *any* IRA/401(k) balances, and the rest have no source of retirement income other than social security.

Given these two factors, it is statistically unlikely that many of your daily conversations and interactions are with those who have developed the successful mindset and financial habits necessary to achieve financial independence.

On the contrary, the majority of voices you routinely hear are of those who have little or no financial confidence.

## **Financial Media and *The Crisis du Jour***

The second obstacle you face is the financial media because their goals are in direct conflict with your financial confidence. In order to increase viewership so they can sell more expensive advertising space in their magazines,

newspapers, radio programs, television shows, and websites, financial journalists have become more and more clever at writing “*crisis du jour*” headlines to generate as much confusion and unrest as they can muster so you will continuously “tune in.”

Since investing, in and of itself, isn’t very exciting, their skilled copywriters are paid handsomely to stir the pot and convince viewers that markets could crash at a moment’s notice. It’s a great tool for them to sound unnecessary, but extremely effective alarm bells, capture your attention, and strip away your confidence.

### Politicians

In order to create a demand for their existence, and capture your vote, politicians at all levels, and of every stripe, often perpetuate the well received storyline that the world is unfair, and that markets are fragile and completely out of control.

They are very effective at facilitating envy toward productive and financially disciplined individuals (like our *Relaxing Retirement* members), somehow suggesting that you have had an unfair advantage. This, of course, does nothing but undercut the pride and confidence you deserve and have earned the right to enjoy.

### Complexity and Lack of Pensions

Finally, a huge obstacle you face is the fact that everything is so much more complicated today when you reach **The Employment Dependency Threshold™** (*the point in your life when you are evaluating the move over to Phase Two of your financial life where you are no longer dependent on the income from work to support your lifestyle*).

40 years ago, many American worked for one company their entire career, and then retired with a guaranteed fixed monthly pension and social security that covered their spending needs. There weren’t many decisions to make, and consequently, not many mistakes to avoid.

Today, aside from social security, your income in retirement has to be generated from what you have accumulated in your Retirement Bucket™. Because of this, you now have the daunting task of calculating and strategizing:

1. Do we have enough built up to stop working if we want to? (*since there is no guaranteed*

*monthly pension covering all of your expenses*)

2. How much can we afford to spend or help our family without the fear of running out?
3. How do we position our investments to earn the *real* rate of return we must earn to make it work and generate the *lifestyle sustaining cash flow* we need each year?

*“If you have a problem, develop a system, and it won’t be a problem anymore,”*  
**Ray Kroc, McDonald’s founder.**

### Develop and Maintain Your Financial Confidence

Overcoming all of these obstacles so you can *develop* and *maintain* the financial confidence you need requires a system and a structure, and that is what The *Relaxing Retirement Coaching Program™* was built to provide for you.

A successful strategy and system employed by the tiny percentage of Americans who achieve complete financial independence in Phase Two is not earth shattering, yet it is the most revealing difference between those who we have studied and worked with, and everyone else.

The difference is they all know their numbers cold, and they base *all* their decisions on *their* numbers. They don’t rely on “*rules of thumb*” and “*vague generalities*” they read in popular magazines, and they don’t waste time reacting to “*crisis du jour breaking news*” reported on television.

Knowing *your* numbers, based 100% on your priorities and resources, liberates you from anxiety because you can make accurate, calm, rational decisions which separate fact from fiction, fact from opinion, and actual circumstance from the “*magnified*” obstacles that we create in our minds.

The end result is that your actions and reactions are solidly based on truth, and not your own or someone else’s opinion.

And, that is the position you want to be in at this critical stage in your life. Any information you choose to include in your decision making process must first be evaluated based on its relevance to your own unique set of priorities and resources. Otherwise, it only leads to confusion, reduced confidence, and

a greatly reduced lifestyle that you have earned and deserve to fully enjoy.

## The Stakes Have Now Gone Up

Even if you haven't made the decision whether to continue working or not, you are now approaching Phase Two of your financial life where the Retirement Bucket™ of investments you have worked so hard to accumulate must now support you for the rest of your life.

That's a tall task!

You are probably not going to be adding too much more money to your Retirement Bucket™. Instead, when you are no longer dependent on income from work, you will "flip the switch" and withdraw funds to support your desired lifestyle.

From all my years intimately working hands-on coaching hundreds of individuals and couples, I can tell you that working through this *psychological roadblock* requires an abundance of confidence.

Think about it. During your entire life, you have worked, earned income in order to support your lifestyle, and saved money for your future.

That *future* is now here; you will no longer be *dependent* on the income from work, and you will no longer be "saving" money.

Instead, you will now *withdraw* and *spend* the money you have taken your entire life to save!

This just does **not** feel normal to anyone, especially those who developed the strong habit of aggressively saving during Phase I. And, it's the reason why it's so critically important to have a **system** of decision making about your finances at this unique stage in your life.

If you don't have a *system*, then you increase the risk of becoming a victim of the next sales gimmick. And, those sales gimmicks usually lead to costly mistakes.

And, those costly mistakes lead to one of two outcomes:

1. You end up having to make drastic cuts in your lifestyle which you have worked your entire life to enjoy, or
  2. You have to go back to work to make up the difference, something your health may prohibit you from doing.
- Neither of these sound like very inviting options,

so let's discuss how you can develop and maintain the *supreme financial confidence* you need and deserve at this critical stage in your life.

## What Everyone Wants to Know

When we meet with an individual or couple for the first time, there are three things they want to know very early in our conversation:

1. "Do we have enough to stop working if we want to?"
2. "How much can we afford to spend?"
3. "Are our investments positioned correctly to last while withdrawing to support our lifestyle?"

Our answer to each question is always the same, "we don't know yet because everyone's *numbers* are so different. But we will show you how to find out!"

## Why There Are No Simple Answers

Let's take a look at two couples, **Mike and Mary**, and **Ron and Rose**, both age 62. To keep it simple using round numbers, assume **each** couple has:

- \$2,500,000 in investment holdings,
- the *same* pensions, and
- the *same* social security retirement income

Beyond that, here's what else we know about them:

- **Mike and Mary** have no mortgage or home equity line of credit, and they have recently completed many major upgrades to their home, i.e. a new roof, indoor and outdoor paint, a new furnace, new kitchen countertops and cabinets, and new bathrooms. They purchased new cars with cash in the last two years which they plan to drive for ten years since they put very little mileage on their cars.
- **Ron and Rose** still have \$370,000 outstanding on a second mortgage they took out to pay for their kids' college tuitions and weddings, and a condo down in Florida they bought a few years back. They both drive high end cars which they replace every three years. And, while their home is very nice, after 26 years, it is starting to look "tired" and will need significant upgrades in the next two years.

Even though both couples have the exact *same* level of investments, and the *same* amount of income coming in from social security and pensions, their situations are *drastically different* because it will cost much more to support *Ron and Rose's* desired lifestyle.

## Do They Have Enough?

*Ron and Rose* are less likely to have “enough” built up because they spend more, thus they are much more **dependent** on their Retirement Bucket™ than *Mike and Mary*.

However, that alone doesn’t answer if *Ron and Rose* or *Mike and Mary* have enough built up to support their desired lifestyle.

That’s a very important point! Many individuals make their financial decisions based on their *perception* of how they “measure up” to others, based on some insignificant statistic they read on the internet, or based on the opinion of a friend or colleague. None of those criteria will provide them with a confident answer to the question they asked.

The way for *Ron and Rose, Mike and Mary*, and **you** to determine if you have enough built up is to thoroughly quantify *your* level of **Retirement Bucket Dependence™**: i.e. over and above income you may receive from social security, pensions, and rental property, how *dependent* are you each year on your Retirement Bucket™?

If you don’t know the answer to this question, you will have *unnecessary anxiety* and you will “*pull your punches*” by restricting your spending for the rest of your life because you don’t know if you have enough built up in your Retirement Bucket™. Or, you will continue to work because you think you “have” to, when in fact you may *not* “have” to.

## Are They Positioned Correctly?

Even though they receive the same amount of income each month from pensions and social security, *Ron and Rose* will have to withdraw more each year from their Retirement Bucket™ than *Mike and Mary* **because they spend more**. Everything else being equal, in order for their Retirement Bucket™ to remain full over their lifetime, *Ron and Rose* **must** earn a greater investment rate of return than *Mike and Mary*.

Given this, the Retirement Bucket Strategy™ for *Ron and Rose* has to be **very** different than for *Mike and Mary*. This is precisely why the answer to the question, **“are our investments positioned correctly?”** has no quick and simple answer, and it is why relying on generic “*rule of thumb investing guidelines for everyone*” you find in financial magazines is so dangerous at this stage in your life.

The question *Ron and Rose, Mike and Mary*, and **you** want and need an answer to is: **What real long term investment rate of return do you need to earn on your Retirement Bucket™ in order to remain full for the remainder of your life while generating the lifestyle sustaining income you need each year?**

The real investment rate of return you need to earn is dependent on three factors:

1. Your Level of Retirement Bucket Dependence™
2. The Size of your Retirement Bucket™
3. Inflation

Without your answer to this question, you can’t begin to make rational, long term investment decisions because you have no clearly defined investment goal.

## The Retirement Confidence Preparation System™

The Retirement Confidence Preparation System™ provides the system you need to “*know your numbers*” as you prepare for the development of your own custom-designed Retirement Blueprint™. This **Instruction Guide** outlines:

1. What to bring to your meeting (*page 7*),
2. Your two options for submitting your Retirement Confidence Creator™ information to us in the simplest manner possible based on your preferences (*page 6*), and
3. Guidelines for each step in The Retirement Confidence Creator™ (*pages 7-17*).

As you read through this **Instruction Guide** and the accompanying **Retirement Confidence Creator™** (*dark green covered booklet*), please don’t hesitate to call us for anything even if you think it’s just a “small thing”. In our office, anything and everything involved with helping you experience a *relaxing retirement* is a “big thing”!

We are excited to help you design your Retirement Blueprint™ so you can develop and maintain the financial confidence you need to live the life you deserve!

## How to Submit Your Information - Option #1 Entered in a Retirement Confidence Creator™ Spreadsheet on Your Computer

If you prefer to enter your **Retirement Confidence Creator™** information into a spreadsheet on *your* computer, we have enclosed a green and white **Relaxing Retirement USB Flash Drive** for you.

This option reduces your planning time in the future because you will retain your information on your computer to access in future years.

On your *Relaxing Retirement USB Flash Drive*, you will find a file titled: **Retirement Confidence Creator™**. Simply click on this file and save it to your home computer of choice.

When you click on and open your **Retirement Confidence Creator™** file, you will find multiple tabs at the bottom of the spreadsheet representing the same pages in the accompanying **Retirement Confidence Creator™** (*dark green covered booklet*).

When entering information onto each of the spreadsheets, please remember to click “save”

often so you don’t lose your work. (Please see The Retirement Confidence Creator™ Guidelines on page 8-17)

When you have completed each section, please:

1. Save your **Retirement Confidence Creator™** file on your home computer’s hard drive,
2. Print out a copy of each completed tab and bring them to your meeting,
3. Bring your **Relaxing Retirement USB Flash Drive** to your meeting.
4. Bring all relevant items on your **What to Bring to Your Retirement Confidence Preparation Meeting Checklist** on page 7. It is not necessary to make copies of anything. When we meet, we will return all original documents to you.

## How to Submit Your Information - Option #2 Handwritten in Your Enclosed Retirement Confidence Creator™ Booklet

If you prefer to handwrite your **Retirement Confidence Creator™** information, please do so in the enclosed **Retirement Confidence Creator™** booklet and **The Retirement Bucket™** using a **pencil**. (Please see Retirement Confidence Creator™ Guidelines on page 8-17)

When you have completed each section, please:

1. Bring your completed **Retirement Confidence Creator™** booklet and **The**

**Retirement Bucket™** to your meeting.

2. Bring all relevant items on your **What to Bring to Your Meeting Checklist** on page 7. It is not necessary to make copies of anything. When we meet, we will return all original documents to you.

## What To Bring To Your Retirement Confidence Preparation Meeting

Please bring the following items (*as they apply to you*) to your Retirement Confidence Preparation Meeting. It is not necessary for you to make copies. We will make copies and return all of your original documentation to you.

**Completed Retirement Confidence Creator™** (*which includes your Retirement Income Predictor™, your Lifestyle Cost Estimator™ and Retirement Resource Quantifier™*)

**Documentation Checklist:**

- Current Paycheck and/or Pension Stubs** (*if applicable*)
- Most Recent Social Security Statements** (*if applicable*)
- Any Information Pertaining to Employer Benefits and Pensions**
- Last 2 Federal Income Tax Returns**
- Current Bank Statement(s)**
- Current Statement(s) for ALL Investments including a breakdown of values by fund** (*where applicable*)
  - Brokerage Accounts (Mutual Funds, Stocks, Bonds)
  - IRAs (Traditional, Rollover, Roth, Simple)
  - Annuities
  - 401(k), 403(b), 457-Deferred Compensation
  - SEP, KEOGH, Profit Sharing
  - Pension (Lump Sum), ESOP
  - Stock Options
  - Limited Partnerships
- Loan/Mortgage/Line of Credit Statements** (*if applicable*)
- Insurance Declaration Statements, including:**
  - Auto, Homeowners, Boat, Umbrella
  - Life
  - Long Term Care
  - Health
- Wills and Trusts**

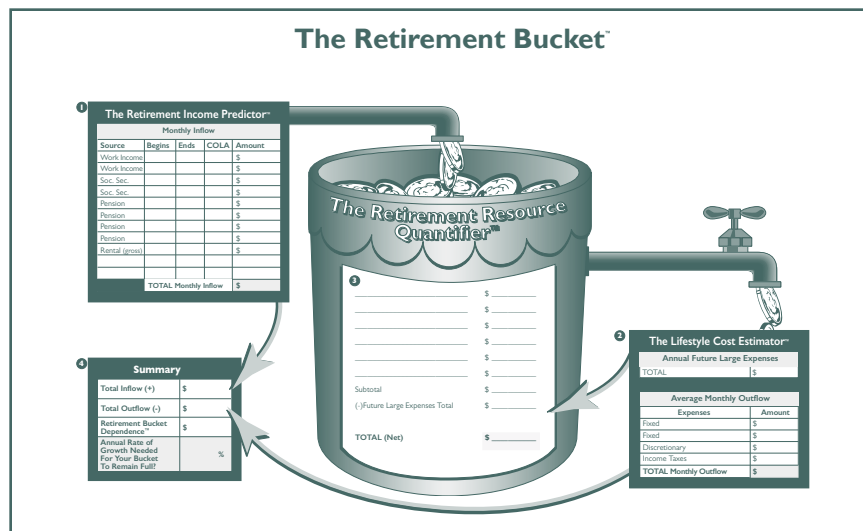


# The Retirement Confidence Creator™ Guidelines

## The Retirement Bucket™

Enclosed separately from this Instruction Guide, **The Retirement Bucket™** provides an effective “Big Picture” visual reference of the most important components in your financial life. In your quest to develop and maintain the *supreme financial confidence* you need and deserve at this critical stage in your life, The Retirement Bucket™ helps you “*know your numbers*” so you can begin to discover your answer two critical questions:

1. What is your level of Retirement Bucket Dependence™, i.e. over and above income you may receive from social security, pensions, and rental property, how *dependent* are you each year on your Retirement Bucket™?
2. What *real* long term rate of return do you need to earn on your Retirement Bucket™ in order to remain full for the remainder of your life while generating the lifestyle sustaining income you need to live your life on your terms?



You will be completing each section of The Retirement Bucket™ with information gathered in each of the following sections:

### Section One: The Retirement Income Predictor™

Your goal is to clearly define exactly *how much* income you will receive from each income source, *when* it begins and ends, and if there is a cost of living adjustment (COLA) benefit attached to it.

### Section Two: The Lifestyle Cost Estimator™

Your goal is to place a price tag on your ideal lifestyle. This is not a budget. This is simply an *accounting* of what you believe you will spend in the future into two main categories and two subcategories.

### Section Three: The Retirement Resource Quantifier™

Your goal with **The Retirement Resource Quantifier™** is to clarify the balance and ownership title of all savings and **investment** resources which will generate the lifestyle sustaining income you need during your lifetime.

### Section Four: Summary

Here we summarize your inflows and outflows and discover one of the most critically important numbers you must know at this critical stage in your life, which is your level of **Retirement Bucket Dependence™**.









# The Retirement Confidence Creator™ Guidelines

## The Lifestyle Cost Estimator™ Average Monthly/Annual FIXED Expenses

A great indicator of what your ideal lifestyle will cost in the future is by looking back over the past year or two. The **Average Monthly/Annual FIXED Expenses** spreadsheets on Pages 4-5 of The Retirement Confidence Creator™ will help you identify where you spend money.

Be generous with your estimates. Try to error on the high side to be conservative. Remember, this is **not** about “budgeting” or restricting your spending. It’s about getting a handle on what it costs you to live your ideal lifestyle so you can confidently spend without anxiety.

We have broken down your monthly and/or annual spending into two categories: **FIXED** and **DISCRETIONARY**. The first area to get a firm handle on in this section is your **FIXED** expenses.

Your **FIXED** expenses are broken down into four subcategories: **Home, Transportation, Personal Consumption, and Insurance.**

Most of the **FIXED** expenses you incur will be listed in one of the categories presented. If not, there are some blank spaces at the end of the Personal Consumption section on Page 5 to utilize.

If you own rental property or multiple properties, pay special attention to *Rental Property Expenses (Total)* and *Vacation/Second Home Expenses (Total)*. In The Lifestyle Cost Estimator™ Notes section on Page 8, add up all rental property or vacation/second home expenses including mortgages, real estate taxes, utilities, maintenance, etc.

Once you have entered each value, total up the expenses at the bottom of the first page Fixed Expenses, and the bottom of the second page Fixed Expenses.

\*\*\*When we design your Retirement Blueprint™, we will accurately forecast out all of your income tax liabilities into the future so you don’t need to figure your taxes into this worksheet.

The Lifestyle Cost Estimator™		
Average Monthly/Annual FIXED Expenses		
	Monthly	Annually
<b>Personal Consumption</b>		
Groceries	\$	\$
Clothing (Fixed) including eye glasses, shoes, undergarments, coats, etc.	\$	\$
Dry Cleaning	\$	\$
Haircut / Salon	\$	\$
Health / Personal Care Products (CVG, Wdgroom, etc.)	\$	\$
Sports / Fitness / Health Club / Membership Fees	\$	\$
Chiropractic Care	\$	\$
Massage Treatments	\$	\$
Vitamins	\$	\$
Medical / Dental / Pharmacy (Out of Pocket)	\$	\$
Pet Expenses (Food, Clipping, Veterinary)	\$	\$
Professional / Advisor Fees (Accountant, Attorney, etc.)	\$	\$
Rental Property Expenses (Total)	\$	\$
Vacation / Second Home Expenses (Total)	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>Subtotal (Personal Consumption)</b>	\$	\$
<b>Insurance</b>		
Auto	\$	\$
Home	\$	\$
Umbrella	\$	\$
Life	\$	\$
Long Term Care	\$	\$
Health	\$	\$
Boat	\$	\$
Medicare Deduction	\$	\$
<b>Subtotal (Insurance)</b>	\$	\$
<b>Fixed Expenses (Page 5)</b>	\$	\$

The Lifestyle Cost Estimator™		
Average Monthly/Annual DISCRETIONARY Expenses		
	Monthly	Annually
Books	\$	\$
Charitable Donations (Non-Religious)	\$	\$
Charitable Donations (Religious)	\$	\$
Clothing (Discretionary) including jewelry, hats, athletic attire, etc.	\$	\$
Entertaining / Hosting Parties	\$	\$
Gifting / Support	\$	\$
Hobbies	\$	\$
Liquor (Beer, wine, spirits, mixers, etc.)	\$	\$
Magazine Subscriptions	\$	\$
Meals Out (Breakfast, Coffee)	\$	\$
Meals Out (Lunch)	\$	\$
Meals Out (Dinner)	\$	\$
Movies / Theatre	\$	\$
Music / Records / Netflix / Amazon	\$	\$
Music / Satellite Radio	\$	\$
Newspapers	\$	\$
Postage / Overnight Delivery	\$	\$
Presenties (Anniversaries, etc.)	\$	\$
Presenties (Birthdays)	\$	\$
Presenties (Holidays)	\$	\$
Salon / Personal Care (Discretionary)	\$	\$
Theatre / Sporting Events	\$	\$
Vacations / Travel	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>Total Discretionary Expenses</b>	\$	\$
<b>Grand Total Expenses</b>	\$	\$

## Notes

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# The Retirement Confidence Creator™ Guidelines

## The Retirement Resource Quantifier™

The goal of **The Retirement Resource Quantifier™** is to clarify the balance and ownership title of all savings and investment resources which will generate the lifestyle sustaining income you need during your lifetime.

On Pages 9-15 of *The Retirement Confidence Creator™*, you will find categories of your holdings broken down into two main categories (**Non-Qualified on pages 9-12** and **Qualified Retirement Plans on pages 13-15**)

Utilizing the current bank and investment statements you have collected, under the appropriate asset category, please enter the name of the institution where the investment or bank account is held, the owner of the investment, and the current value. If you have provided a statement in your preparation for us, please check the *Statement Enclosed* checkbox.

After you have completed this, total up each page at the bottom. Please also indicate if you anticipate any future large inflows such as inheritance or proceeds from a sale of a property (*Make any notes in the Information/Comments You Would Like to Share on page 1*).

This is your **Retirement Bucket™** from which you will generate the lifestyle sustaining income you need as calculated in The Lifestyle Cost Estimator™.

On page 16 of *The Retirement Confidence Creator™*, please list all **Personal Assets** and **Liabilities**. Include a description of the asset or liability along with all pertinent information including owner and value, rate and term of the liability, maturity or due date. If you have provided a statement of the liability, please check the **Statement Enclosed** checkbox.

The Retirement Resource Quantifier™

Retirement Bucket - Investments \*Non-Qualified\*

Brokerage Accounts (Non IRA)			
Statement Enclosed	Institution	Owner	Account Value
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
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<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
Mutual Funds - Direct (Non IRA)			
Statement Enclosed	Institution	Owner	Account Value
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
<input type="checkbox"/>			\$
Non-Qualified (Page 10) <span style="float: right;">\$</span>			

The Retirement Confidence Creator™ Page 10

The Retirement Resource Quantifier™

Notes

Page 11 The Retirement Confidence Creator™

**Notes**

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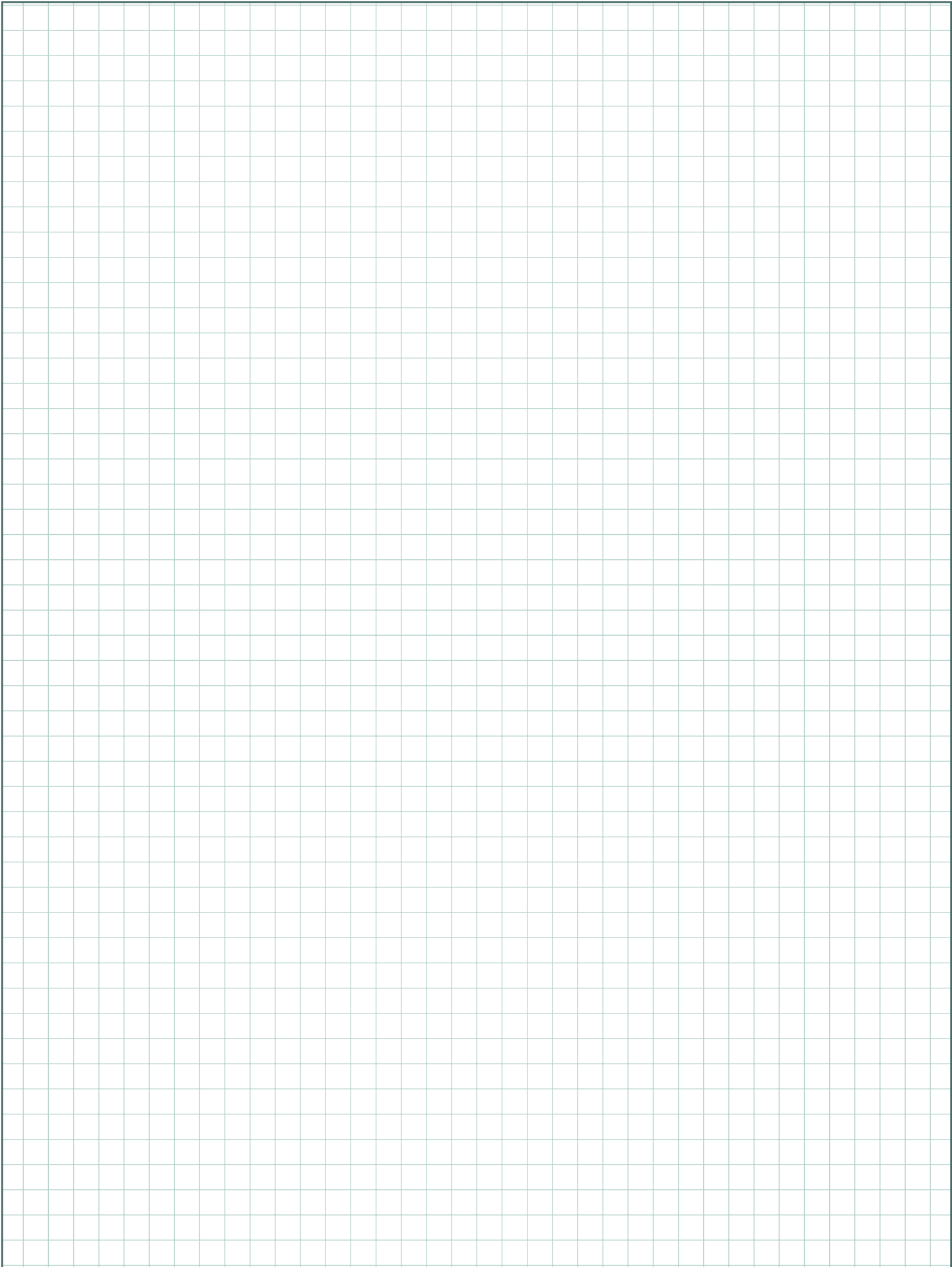
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Wellesley Office Park  
80 William Street, Suite 260  
Wellesley, MA 02481  
781-235-7550 phone  
781-235-7551 fax  
[info@TheRetirementCoach.com](mailto:info@TheRetirementCoach.com)