

## Retirement Is Not About How Much Money You Have

By **Dominic Garcia**

Many people believe their ability to retire is dictated by the amount of assets they have in savings and investments. There are even commercials that promote the importance of helping you find your magic number; \$1 million, \$2 million, \$5 million, etc. In our opinion, having a goal related to assets is not going to answer the question of whether you can retire.

A true retirement plan comes down to your spending habits and the financial backing to support them. It is not uncommon to find a person with \$500,000 in assets to be in a better position than a person with \$3,000,000 in assets. This is where lifestyle and the choices you make throughout life come into play. A great mentality is to always live below your means. Recognize that if you cannot purchase something and pay it off in full, then you typically cannot afford it. Often, it is the person with the least amount of debt and expenses who will end up on top.

As you approach retirement, perhaps one of the largest debates is whether to pay off your home. It does not surprise me that there are plenty of advisors out there who suggest maintaining a large mortgage. Historically you can earn more by investing in the stock market; however, we must understand that this is not a guarantee. From our viewpoint, paying off your home is a guaranteed way to reduce your expenses which in turn will strengthen your retirement plan. Note that where you pull the money from is also a big factor that will play into this decision.

When seeking a financial plan, an advisor is there to help set expectations and offer a realistic view on what is feasible. If you want to retire at 65, we are not there to say it cannot be done. However, we are there to say that if you want to retire at 65, then your monthly expenses must stay under \$8,000/mo for example. We are also there to show you how the limits would change if you retire at say 63 or 67. If we can provide the optimal spending figures, then you now have the capability to look at your expenses and determine what option would give you the most comfort.

Other aspects of a financial plan that I look forward to discussing at a later date would be the inclusion of tax efficiency, social security analysis, pension evaluation, insurance, real estate, healthcare, and legacy planning. In the meantime, stay safe and God bless.

Contact us: [info@RochesterWealthStrategies.com](mailto:info@RochesterWealthStrategies.com) [www.RochesterWealthStrategies.com](http://www.RochesterWealthStrategies.com)



*Dominic Garcia is President of Rochester Wealth Strategies LLC, an Independent Registered Investment Adviser located in Downtown Rochester. RWS is a Fiduciary and Fee-Only financial advisory firm. (248) 434-6550*