

Rule 1

What are your unique priorities?

The purpose of life is to live it, to taste experience to the utmost, to reach out eagerly and without fear for newer and richer experience.

- Eleanor Roosevelt

Priorities come in many different shapes and sizes. As you plan for a successful retirement, you need to build your financial future around your unique desires. What may be important for me as a financial counselor may not even make your top twenty list. This is one of the reasons I find my work both exciting and fun. No two investors are the same; my reward comes from helping folks understand their priorities and achieving their goals.

When I think about my own goals, my first priority is a successful and rewarding retirement with my wife. We want to get the most out of our

golden years. A secondary concern is transferring our wealth to our children after we're gone. In doing this, we want to have a strong cash flow, maximize our investment flexibility and minimize taxes. Charity also plays an important role in these priorities. We currently give 10% of our earnings to charity and have charitable plans for some of our assets when we pass away. One of my core values is being generous; it helps frame my priorities.

Please don't get me wrong, I'm not suggesting you forget about your kids. In my case, I want my kids to have a great life but my job is to raise them with strong values, get them through college and position them to be productive citizens in society. Once I'm done, their job is to set their own priorities and make their own way. I'm not sure I'd really be doing them a favor by enriching them beyond giving them a great start and occasional gifts. I don't have a responsibility to build an estate to make their life comfortable at the expense of my own retirement.

Put first things first!

I find that many advisors think of retirement and estate planning in reverse order. They push fancy solutions that concentrate on doing things with your money after you're gone. They imply that your lifetime needs may need to take a backseat to your after-life needs. You have to wonder if these advisors are putting a commission ahead of your

personal well-being. But for most of us, it's more logical to put a successful retirement first.

By the way, you'll see later in these writings that I believe in efficiently passing your wealth onto children or charities, especially with money you have that exceeds your first level goals. I sometimes refer to this as "never use money." If you have "never use money" there are powerful techniques you can use to leverage those assets for your children or favorite charity.

How long will your retirement last?

Think of it another way. Most of us work several decades to accumulate our savings and investments – our wealth. We should have a chance to enjoy the fruits of our labor. After all, the average person retiring at the age of 65 will spend more than 20 years in retirement. This is an example of what I mean by common sense planning.

As you set your own priorities, keep this concept in mind. Not everyone's priorities are the same, but you still need to put first things first. Planning a successful retirement is a lot like running a business; when you develop long-term strategies you increase your chances of success. Of course, this doesn't mean you should ignore your later priorities. In fact, as I counsel individual clients, I look for solutions that provide flexibility. None of us can predict the future with absolute certainty.

Do you want it all?

Most of us can't have it all; we have competing interests. Some folks say they'll work as long as they can, while others want to retire early. Some folks want a guaranteed monthly income, while others would rather maintain large cash balances in their bank accounts. Some folks want lots of "stuff" like cars, boats and vacations, while others worry about nursing home costs. Some folks want to see their grandchildren enjoy their inheritance while they're still alive, while others want to leave major gifts to their alma maters.

On a personal level, I've never found contentment in the idea of trying to have it all. It's a losing proposition. I find satisfaction in knowing I won't run out of money even if I have to revise my desires and live a simpler life. I look more toward the intangible things in life found in meaningful relationships and good health. There are so many ways to spend and invest your money; you have to decide what is most important to you.

Your priorities are unique.

As you plan for a successful retirement, you need to build your financial future around your unique desires. Don't subject yourself to a cookie cutter approach. Find a good advisor who will help you establish your priorities and apply common sense to this critical stage of your life.