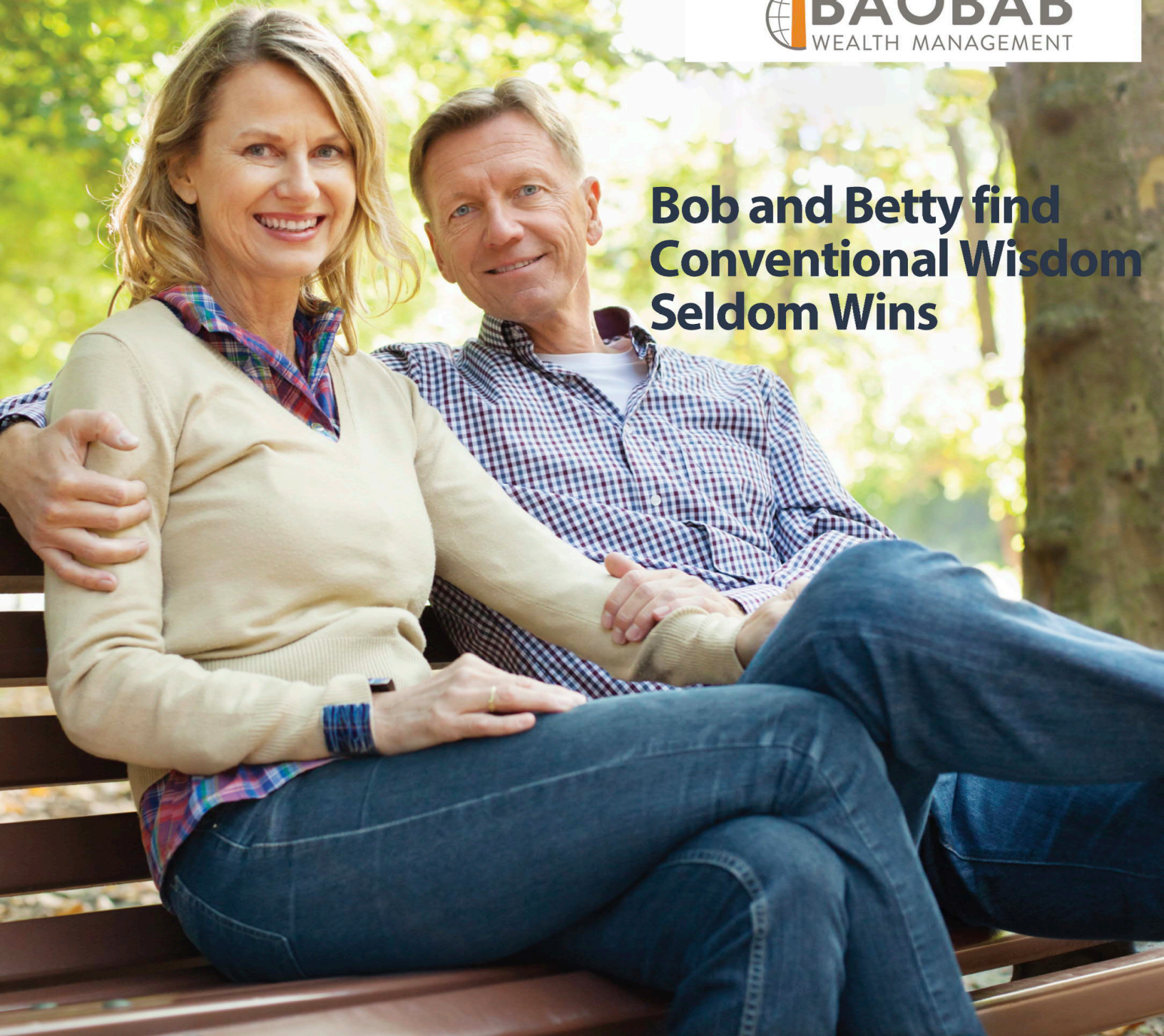




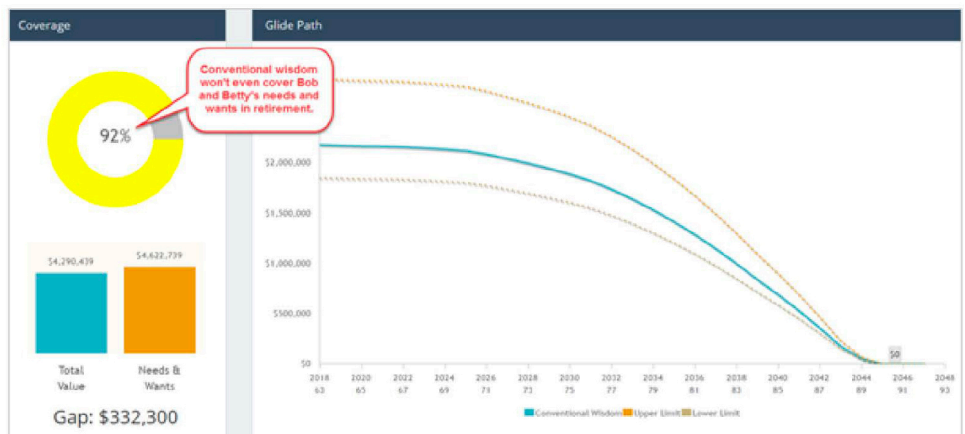
Bob and Betty find Conventional Wisdom Seldom Wins



Bob and Betty are looking forward to retirement and have big plans. They want to get as much out of their retirement – and their savings – as possible. Their financial advisor suggested "conventional wisdom" was the way to go, but our analysis proved otherwise.

Bob is 62, his wife Betty is 61. They have a total of \$2,200,000 in retirement savings – \$1,250,000 in a traditional 401k, \$200,000 in a Roth IRA, and \$750,000 in a brokerage account. In addition, their retirement spending will be about \$120,000 annually. Is their advisor giving the best advice?

Bob and Betty worked with us to analyze various portfolio withdrawal strategies to determine which one can add the most value to their portfolio. They learned that spending their retirement assets in the typical "conventional wisdom" order – spending all of the taxable then tax-deferred then tax exempt – won't meet their spending needs in retirement! Their portfolio would be empty before Betty dies.



Bob and Betty noticed in our meeting a strategy called "Opposite of Conventional Wisdom," which means spending down their savings in the exact opposite order from Conventional Wisdom: First tax-exempt, then tax-deferred, then taxable. Guess what? Opposite of conventional wisdom means more money for Bob and Betty and would provide for Betty throughout her lifetime.

Just to be sure there were no better strategies, Bob reviewed other strategies Bob and Betty were surprised to see multiple strategies that were better than conventional wisdom and opposite of conventional wisdom. The best strategy would provide an additional \$414,465 for Bob and Betty over conventional wisdom! How? By managing taxes!

The recommended top withdrawal strategy prescribed taking advantage of Roth conversions each year to minimize the total taxes owed over the retirement horizon. As you can see by the graph to the right, the difference in taxes with the top strategy over conventional wisdom is \$268,129 by using Roth conversions.



For Bob and Betty, conventional wisdom would clearly cost them money! There were multiple strategies that would likely garner more for them, and their advisor had no idea he was giving inferior advice. Every scenario is different and has numerous variables that can alter the best strategy for portfolio withdrawal. By working with us, we find you more money by helping you manage all of the important details that matter to your retirement income.



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