

THE
FRUITFUL
Retirement



WORKBOOK

JIM DEGAETANO, CPA, CFP®

Priorities

WHAT DO YOU LOVE ABOUT LIFE?

WHAT IS IMPORTANT ABOUT LIFE TO YOU?

WHAT BRINGS YOU THE MOST JOY AND
HAPPINESS IN YOUR EVERYDAY ACTIVITIES?

IF YOU HAD MORE TIME DURING THE DAY, WHICH
ACTIVITIES WOULD YOU SPEND MORE TIME DOING?

MAKE A LIST OF GOALS AND PRIORITIZE THEM

Self-Awareness

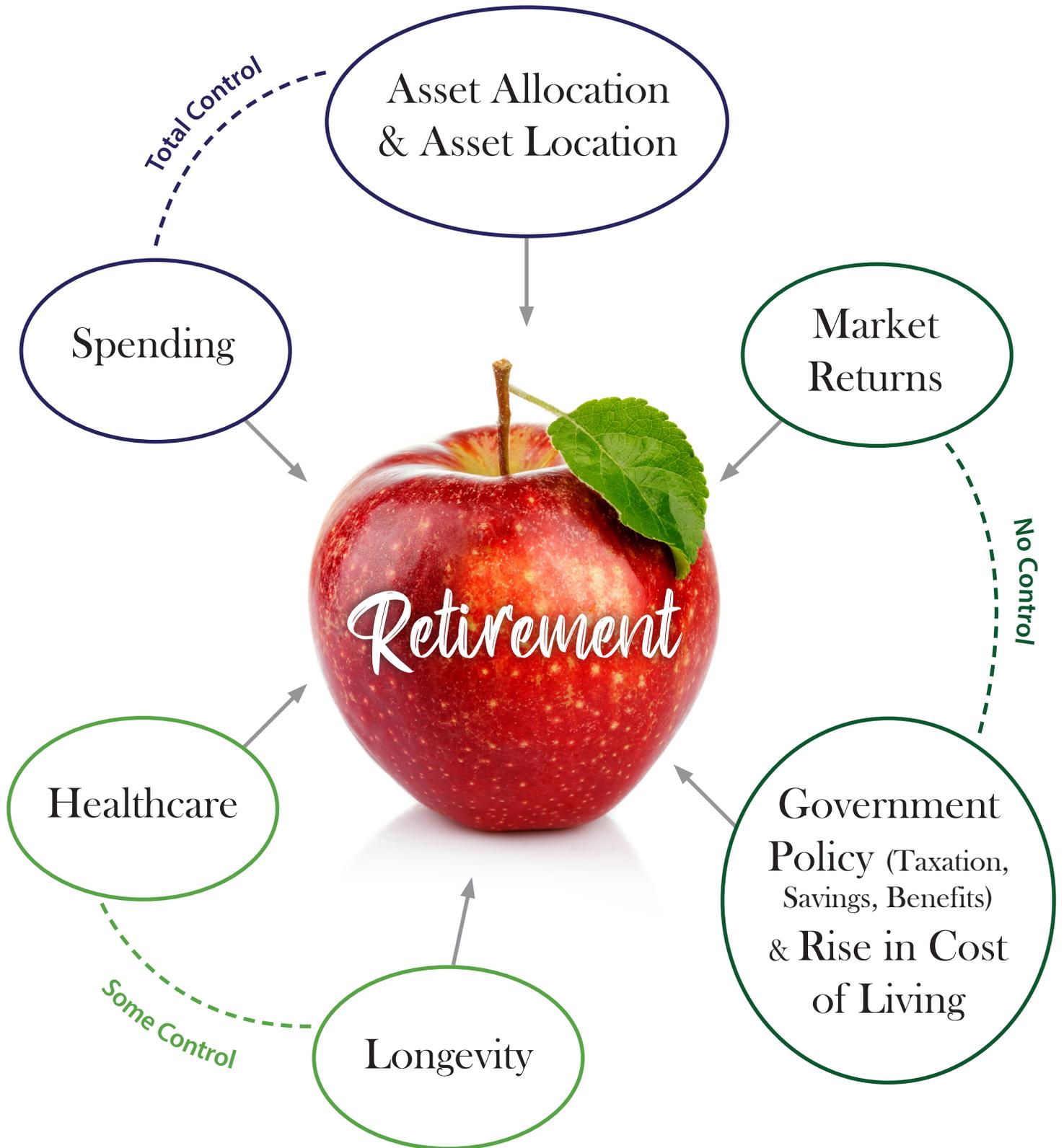
Fill out the squares as an honest assessment of your life.

	DISLIKE	LIKE
GOOD OR SKILLED		
NOT GOOD OR UNSKILLED		

Schedule

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
8:00 AM							
9:00 AM							
10:00 AM							
11:00 AM							
12:00 PM							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM							
5:00 PM							
6:00 PM							

Taking Control



Mitigating Risks



Investing for Retirement

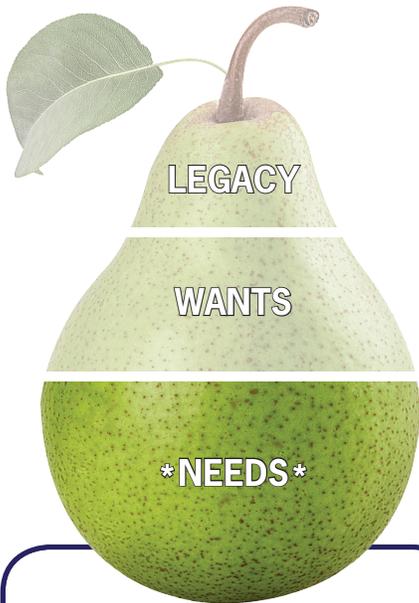


Investing During Retirement



Investment Objectives:	Accumulation	Preserve Principal
Appreciation & Earnings:	Seek Growth	Seek Income
Risk:	Risk Based on Time Horizon	Seek Lower Risk
Taxes:	Defer Taxes	Save or Reduce Taxes

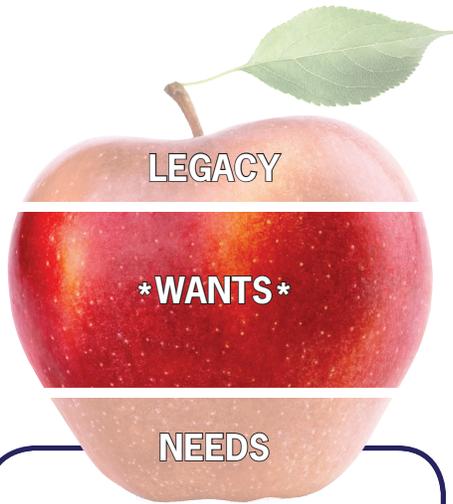
What Fruit Are You?



Pears

Prioritize meeting **Retirement Income Needs** with guaranteed income sources.

Tip: Consider how to create guaranteed income from existing assets in retirement such as private annuities.



Apples

Prioritize meeting **Retirement Income Wants** while maintaining risk tolerance.

Tip: Consider using a bucket strategy that distributes income wants into time frames using assets with varying degrees of risk.



Strawberries

Prioritize leaving a **Legacy** while planning for life's uncertainties.

Tip: Consider leveraging tax efficient vehicles such as life insurance to maximize your legacy.



Retirement Budget

Monthly Income*		
	C1	C2
Social Security		
Annuity		
Real Estate		
Military Retirement		
Federal Pension		
Company Pension		
Other Pension		
Total Monthly Income		

Name _____

Date _____

Monthly Expenses	
Needs	
Cable/Internet	
Car Fuel	
Car Insurance	
Car Maintenance	
Groceries	
Health Insurance	
Homeowner's Insurance	
House Payment (P&I)	
House/Property Taxes	
Phone	
Life Insurance	
Long Term Care Insurance	
Medical Expenses	
Renter's Insurance	
Utilities	
Other Needs	
Total Needs	
Wants	
Car Payment	
Church/Charity	
Dining Out	
Hobbies	
Organizational Dues	
Travel	
Other Entertainment	
Total Wants	
Legacy	
Gifts to Family	
Other	
Total Legacy	

Monthly Budget	
	C1 & C2
Total Monthly Income*	
Total Monthly Needs	
Needs surplus/(deficit)	
Total Monthly Wants	
Wants surplus/(deficit)	
Total Monthly Legacy	
Legacy surplus/(deficit)	

*After tax monthly income

Survivor Budget

Monthly Income*	
Surviving Spouse	
Social Security	
Annuity	
Real Estate	
Military Retirement	
Federal Pension	
Company Pension	
Other Pension	
Total Monthly Income	

Name _____

Date _____

Monthly Expenses	
Needs	
Cable/Internet	
Car Fuel	
Car Insurance	
Car Maintenance	
Groceries	
Health Insurance	
Homeowner's Insurance	
House Payment (P&I)	
House/Property Taxes	
Phone	
Life Insurance	
Long Term Care Insurance	
Medical Expenses	
Renter's Insurance	
Utilities	
Other Needs	
Total Needs	
Wants	
Car Payment	
Church/Charity	
Dining Out	
Hobbies	
Organizational Dues	
Travel	
Other Entertainment	
Total Wants	
Legacy	
Gifts to Family	
Other	
Total Legacy	

Monthly Budget	
	Surviving Spouse
Total Monthly Income*	
Total Monthly Needs	
Needs surplus/(deficit)	
Total Monthly Wants	
Wants surplus/(deficit)	
Total Monthly Legacy	
Legacy surplus/(deficit)	

*After tax monthly income

Survivor Budget

Monthly Income*	
Surviving Spouse	
Social Security	
Annuity	
Real Estate	
Military Retirement	
Federal Pension	
Company Pension	
Other Pension	
Total Monthly Income	

Name _____

Date _____

Monthly Expenses	
Needs	
Cable/Internet	
Car Fuel	
Car Insurance	
Car Maintenance	
Groceries	
Health Insurance	
Homeowner's Insurance	
House Payment (P&I)	
House/Property Taxes	
Phone	
Life Insurance	
Long Term Care Insurance	
Medical Expenses	
Renter's Insurance	
Utilities	
Other Needs	
Total Needs	
Wants	
Car Payment	
Church/Charity	
Dining Out	
Hobbies	
Organizational Dues	
Travel	
Other Entertainment	
Total Wants	
Legacy	
Gifts to Family	
Other	
Total Legacy	

Monthly Budget	
	Surviving Spouse
Total Monthly Income*	
Total Monthly Needs	
Needs surplus/(deficit)	
Total Monthly Wants	
Wants surplus/(deficit)	
Total Monthly Legacy	
Legacy surplus/(deficit)	

*After tax monthly income

Sequence of Return Risks

Financial Independence

Accumulation Phase

- Average Annualized Returns
- Asset Allocation
- Staying in the Market

Distribution Phase

- Sequence of Returns
- Product & Tax Friendly Allocation
- Portfolio Protection

Creating the Fruitful Retirement™

Focus is on average returns & asset allocation

ACCUMULATION

Start with \$100,000 and take no withdrawals for annual income.

	Portfolio A		Portfolio B	
	Annual Return	Year-end Value	Annual Return	Year-end Value
41	29%	\$129,000	-12%	\$88,000
42	18%	\$152,220	-21%	\$69,520
43	25%	\$190,275	-14%	\$59,787
44	-6%	\$178,859	22%	\$72,940
45	15%	\$205,687	10%	\$80,234
46	8%	\$222,142	4%	\$83,444
47	27%	\$282,121	11%	\$92,623
48	-2%	\$276,478	3%	\$95,401
49	15%	\$317,950	-3%	\$92,539
50	19%	\$378,360	21%	\$111,973
51	33%	\$503,219	17%	\$131,008
52	11%	\$558,574	5%	\$137,558
53	-10%	\$502,716	-10%	\$123,802
54	5%	\$527,852	11%	\$137,421
55	17%	\$617,587	33%	\$182,769
56	21%	\$747,280	19%	\$217,496
57	-3%	\$724,862	15%	\$250,120
58	3%	\$746,608	-2%	\$245,118
59	11%	\$828,734	27%	\$311,299
60	4%	\$861,884	8%	\$336,203
61	10%	\$948,072	15%	\$386,634
62	22%	\$1,156,648	-6%	\$363,436
63	-14%	\$994,717	25%	\$454,295
64	-21%	\$785,827	18%	\$536,068
65	-12%	\$691,527	29%	\$691,527
	8%	\$691,527	8%	\$691,527

Living the Fruitful Retirement™

Focus is on sequence of returns & product allocations

DISTRIBUTION

Start with \$691,527. Distribute \$35k 1st yr adjusted for 3% inflation.

	Portfolio A		Portfolio B	
	Annual Return	Year-end Value	Annual Return	Year-end Value
66	29%	\$846,920	-12%	\$577,744
67	18%	\$956,827	-21%	\$427,938
68	25%	\$1,149,620	-14%	\$336,094
69	-6%	\$1,044,692	22%	\$363,375
70	15%	\$1,156,094	10%	\$356,381
71	8%	\$1,204,761	4%	\$328,438
72	27%	\$1,476,970	11%	\$318,178
73	-2%	\$1,405,246	3%	\$283,386
74	15%	\$1,565,046	10%	\$231,877
75	19%	\$1,808,061	21%	\$225,315
76	33%	\$2,342,161	17%	\$208,585
77	11%	\$2,546,022	5%	\$168,143
78	-10%	\$2,246,508	-10%	\$106,418
79	5%	\$2,304,865	11%	\$61,071
80	17%	\$2,634,751	33%	\$10,813
81	21%	\$3,122,069	19%	\$0
82	-3%	\$2,973,927	15%	\$0
83	3%	\$3,003,560	-2%	\$0
84	11%	\$3,267,812	27%	\$0
85	4%	\$3,334,697	8%	\$0
86	10%	\$3,598,631	15%	\$0
87	22%	\$4,310,895	-6%	\$0
88	-14%	\$3,649,695	25%	\$0
89	-21%	\$2,828,690	18%	\$0
90	-12%	\$2,426,637	29%	\$0
	8%	\$2,426,637	8%	\$0

Market Cycle Impact

- Losses in early years of distribution may prevent receiving income for life
- Considering only average rates of return over a long period can be misleading
- Professional financial management helps minimize risk

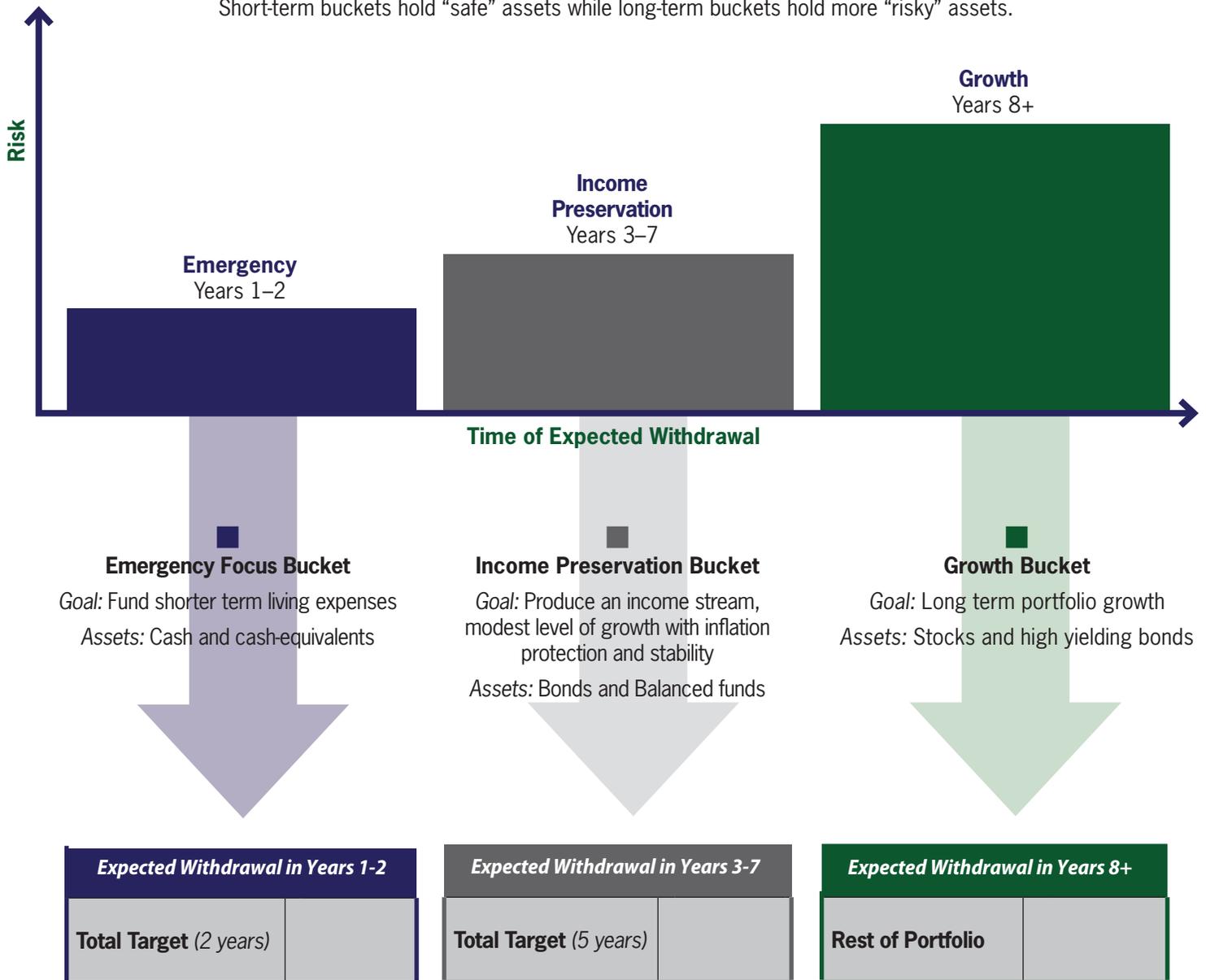
This example is hypothetical and does not represent any actual investment.

Asset Distribution

Total Investment Portfolio	
Monthly Distribution	

Portfolio Asset Distribution: A Bucket Strategy

Bucket strategies divide a portfolio based on expected time of future withdrawals. Short-term buckets hold “safe” assets while long-term buckets hold more “risky” assets.



What's In Your Buckets?

With the numbers calculated on the previous page, discover your own bucket strategy using the three tables above.

Total Return Strategy



Withdraw
Reasonable
Percentage
of Portfolio
(3-4% *)

* Depending on a variety of variable market conditions.
Consult with your advisor for steps appropriate
for your personal situation.

Portfolio Success Rates

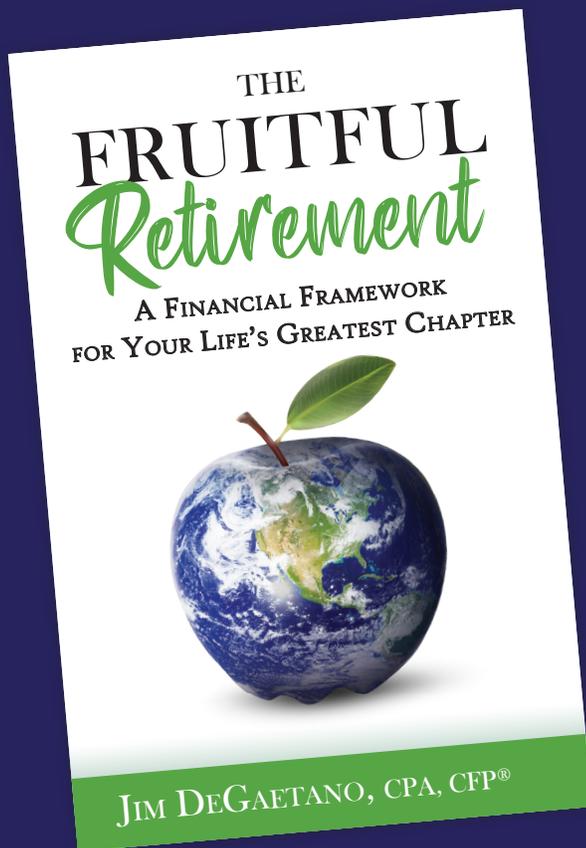
Conservative Retirement Portfolio (25% Stock/75% Fixed Income) 15% Large-Cap Stock, 10% Small-Cap Stock, 55% Bonds, 20% Cash						
	Initial Withdrawal Rate					
	2%	3%	4%	5%	6%	7%
COLA	Historical Success Rate of Portfolio Lasting 35 Years					
0%	100%	100%	100%	100%	93%	64%
1%	100%	100%	100%	96%	71%	36%
2%	100%	100%	100%	82%	46%	24%
3%	100%	100%	93%	58%	33%	20%
4%	100%	100%	71%	36%	20%	13%
5%	100%	93%	46%	26%	13%	2%

Balanced Retirement Portfolio (65% Stock/35% Fixed Income) 40% Large-Cap Stock, 25% Small-Cap Stock, 25% Bonds, 10% Cash						
	Initial Withdrawal Rate					
	2%	3%	4%	5%	6%	7%
COLA	Historical Success Rate of Portfolio Lasting 35 Years					
0%	100%	100%	100%	98%	95%	91%
1%	100%	100%	100%	98%	95%	89%
2%	100%	100%	100%	95%	89%	86%
3%	100%	100%	98%	91%	87%	71%
4%	100%	100%	96%	89%	80%	55%
5%	100%	98%	91%	87%	64%	29%

Source: American Association of Individual Investors Journal, Jan 2016 - "The Mathematics of Retirement Portfolio" by Craig Israelsch

Dividend Stock Strategy



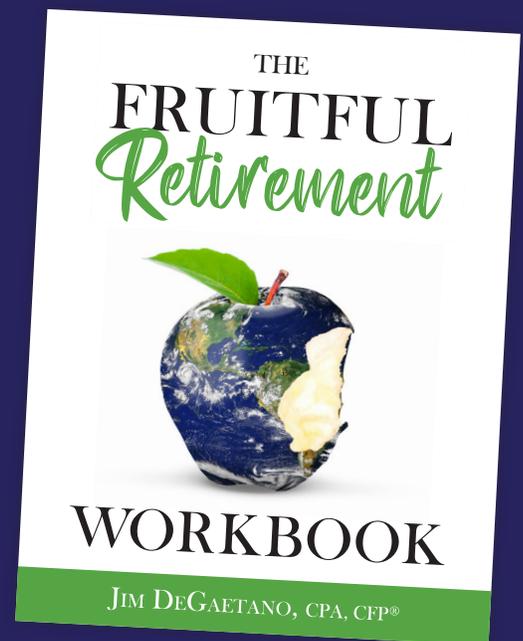


Is it possible to have clarity and peace of mind about your retirement?

Yes! The Fruitful Retirement is your ultimate guide for planning the most exciting chapter of your life. It's an easy-to-follow method so you can plan now and enjoy later. DeGaetano's writing style will have you engaged from the start. His application of the retirement process is so simple it is transcending. Anyone looking for a better way to visualize their retirement journey will benefit from this read.

How to use this workbook.

This workbook is a tool to help you prepare for a fruitful retirement. Throughout these pages, you'll find informational charts and interactive sheets to help guide you through the planning process. Work closely with your advisor so that you can best prepare for your life's greatest chapter.



DIAMOND
WEALTH ADVISORS

717.462.6422
396 Alexander Spring Road • Suite 3 • Carlisle, PA 17015
www.diamondwealthadvisors.com