

I will run the course of Your commandments,
For You shall enlarge my heart

Ps 119:32

ALIGN...

[Your finances with the Heart of God]



Pursuing Financial Freedom – Retirement Planning | Don Reed

Retirement Planning:

Retirees Lack of Preparation:

- 97% could not write a check for \$600
- 54% are still working after 65
- 3% are financially secure
- Bankruptcies increased 244% for seniors in the last decade
- The average Boomer has \$30,000 in savings for retirement! (Forbes: The Greatest Retirement Crisis..2013)

**The lack of planning puts many
seniors into the crisis mode
leading up to and facing
retirement**

The Greatest Retirement Crisis...

Wave 1: Retirees come back to work

Wave 2: Workers Delay Full Retirement

Wave 3: Full Retirement is Unachievable

Wave 4: Drowning – Full Crisis

Forbes

3/20/13

Three-legged stool for financial retirement planning:

- Social Security – from employment or from spousal benefits
- Pension/Retirement - from employment over the years, 401k, 403b, IRA – Roth and Regular
- Personal _____
(4% annual withdrawal rule)

****Financial Freedom - when your passive income exceeds your expenses; e.g. - when your pension/social security/interest/investment income exceed your living expenses**

**The culture's addiction to materialism,
consumption and greed has stolen from
many people's retirement.**

(Prov. 21:20; Prov. 30:24-25)

Prov. 21:20

The wise store up choice food and olive oil,
but fools gulp theirs down

Prov. 30:24-25

Four things on earth are small, yet they are extremely wise: Ants are creatures of little strength, yet they store up their food in the summer;

The wise person who develops self-control and planning will be most likely prepared for the retirement phase of life.

Investing

God's Counsel

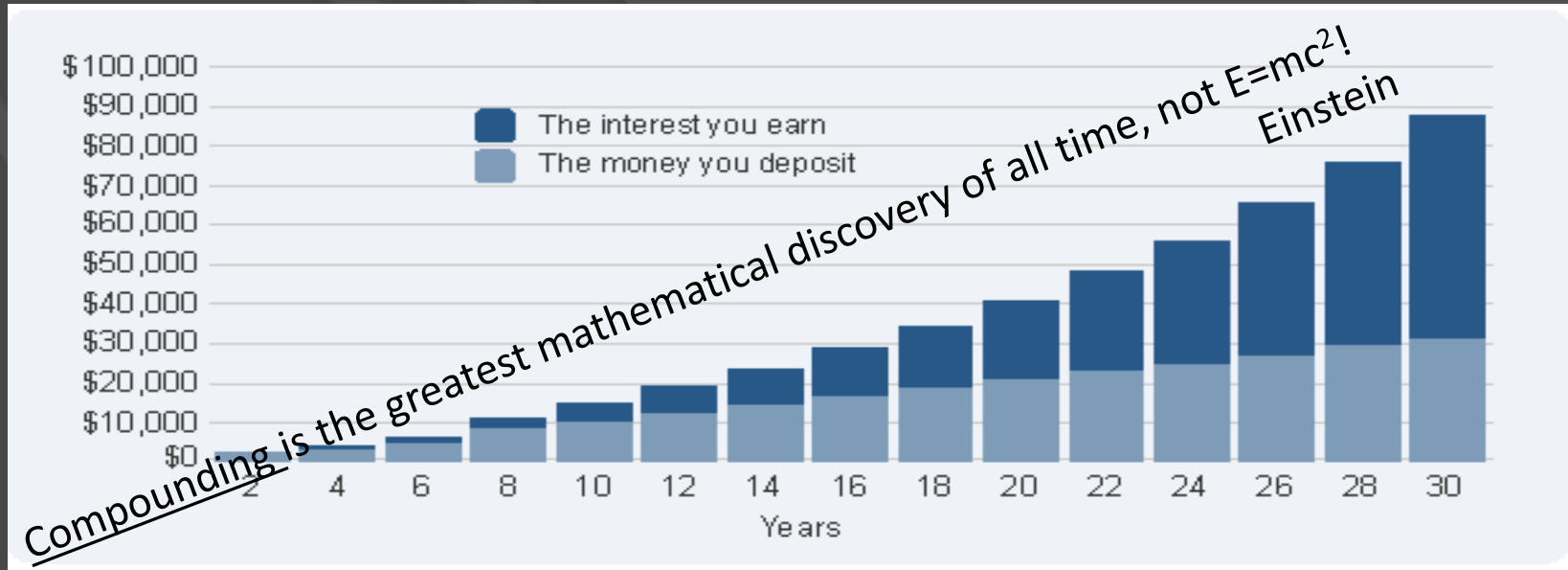
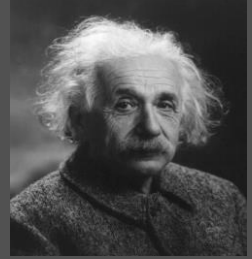
Steady plodding brings prosperity

Prov. 21:5

Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty.

The Power of Compounding

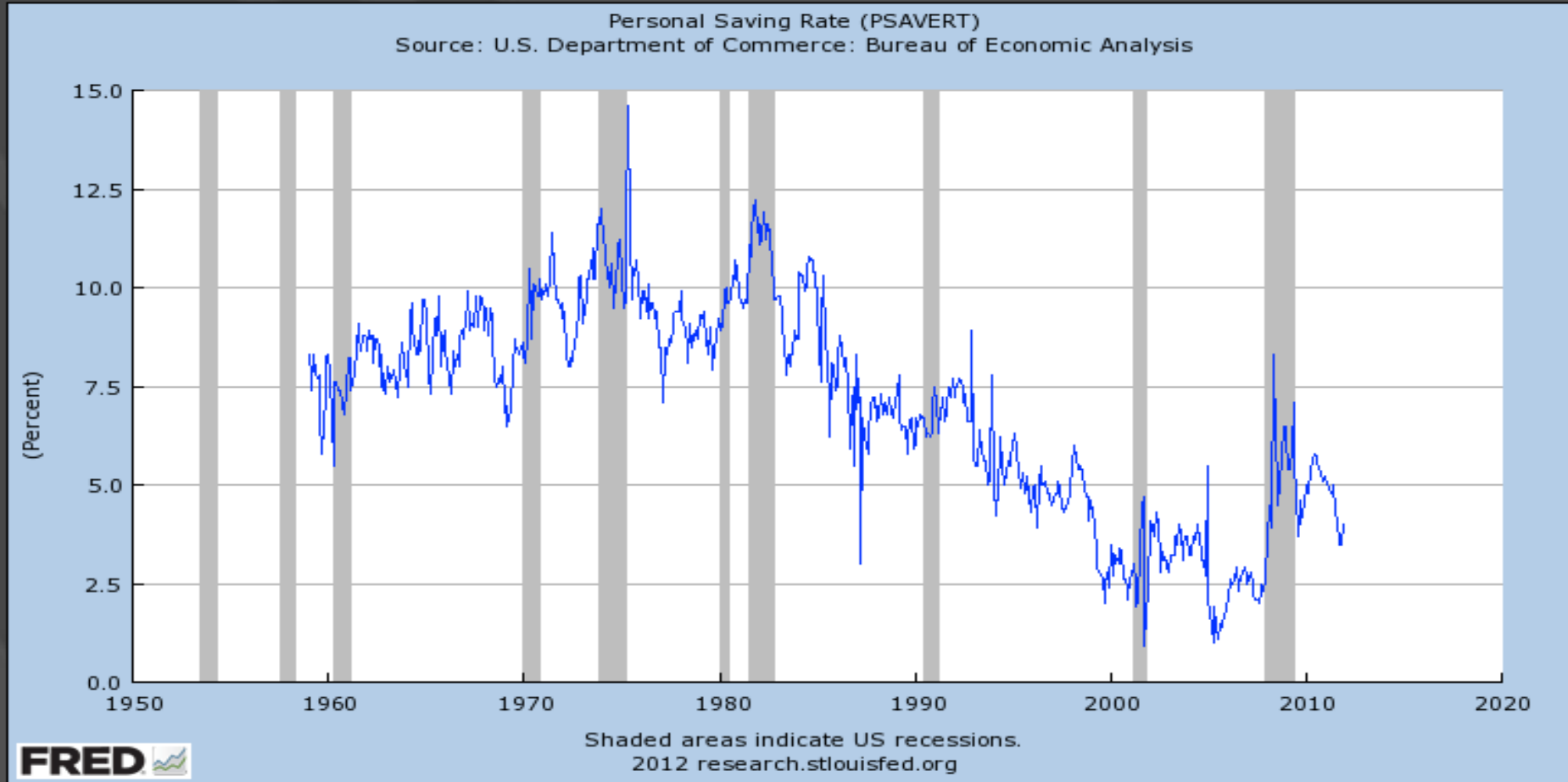
Saving \$20 per month/6% interest



How to Prepare for Retirement

Spend less than you earn - save and invest the difference.

Personal Savings Rate – U. S. 1960-2012



Strategies

Diversify your investments

Eccl. 11:2

But divide your investments among many places, for you do not know what risks might lie ahead.

Strategies

Avoid risky investments

Strategies

Indicators of a risky investment:

Unusually high rate of return

Decision must be made quickly

Little said about risk or loss

Strategies

Maximize returns on your assets/investments

Strategies

Matt. 25.21

His master replied, 'Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. **Come and share your master's happiness!**'

Preparing your children for wise financial management

Accept your responsibility to train your children

Prov. 22:6

Direct your children onto the right path, and when they are older, they will not leave it.

**Model good financial management practices
of sharing with others/generosity**

**Discuss your financial responsibilities and
decisions with them (Deut. 6:6-7)**

Deut. 6:6-7

And you must commit yourselves to these commands that I am giving you today. Repeat them again and again to your children. Talk about them when you are at home and when you are on the road, when you are going to bed and when you are getting up.

Introduce financial responsibility into your children's thinking processes

- Means - Allowances, commissions, work, incentives

Introduce financial principles that are age-appropriate

- Handling money – the value of coins, bills, etc.
- Earning money/work
- Giving/Saving/Spending Money
- Delayed gratification

Expect and allow mistakes!!!

**Pray for each one's growth in financial
responsibility - affirm and counsel**

**Allow for personality differences/minister to
their individual needs**

