

ASK THE ADVISERS

The views and opinions expressed in "Ask the Advisers" are solely those of Keith Singer.



Singer Wealth

Keith Singer, JD CFP™

Keith Singer

Singer Wealth

2 Locations:

1515 S. Federal Highway, #211,
Boca Raton, FL 33432

20900 NE 30th Avenue,
Suite 600, Aventura, FL 33180

Phone: 561-998-9985

Website: www.singerwealth.com

Email: Keith@singerwealth.com

Getting To Dead

I recently held a strategy session with a client who is a senior partner of a national law firm. We were discussing his financial goals and he said to me, "just get me to dead." What he was saying to me was he just wanted to make sure that his money lasted for the rest of his life regardless of unknown factors like inflation, economic conditions, or his life expectancy.

Most investors understand the risks of inflation and a bad stock market, but most don't fully appreciate longevity risk. What if you live too long? My client remarked that if there was a stock that he could buy that was guaranteed to grow by 7-8% per year, he would sign up for that in a second. Most people would sign up for that. Unfortunately, there is no guaranteed 7-8% available but investors are hoping to make that much at least on their investment portfolio.

Ultimately in order to "Get to Dead", investors need to hope that the stock market cooperates along the lines of historical norms, inflation is held in check, and their portfolio

can generate sufficient income. My client's comments made me think about a new product being offered by a major insurance company that would address most of my clients' concerns. The product offers attractive growth opportunity with 100% protection of principal.

However, it also offers an "income account" that is guaranteed to increase by 8% per year until the contract owner starts taking income. Once he starts taking income, the contract owner will be entitled to receive approximately 5% of the income account value each year for as long as he lives. Even if he spends his entire account, his income never ends while he remains alive, just like a pension.

The numbers vary depending on one's age but in his case, a \$1,000,000 investment was guaranteed to produce \$122,000 of annual lifetime income starting in 10 years. He immediately appreciated how having a large, guaranteed lifetime income stream would help him achieve his goal of "getting to dead".