

# 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](http://www.singerwealth.com)

**Email:** [Keith@singerwealth.com](mailto:Keith@singerwealth.com)

## How Much Do I Need to Retire?

Most people who are nearing retirement have attempted to answer this question. The answer is based on several factors. A crucial variable is the amount the retiree will need to spend each year. Beyond that, what will inflation rates be? What returns will you be able to generate throughout retirement and how long do you expect to live?

Most people would prefer not to touch their principle. The stock market is unreliable because, although it has performed well over the last 60 years, negative decades are more common than most people realize. A bad decade in stocks could derail many retirement plans. Currently, you can earn about 5% on conservative income investments like short-term treasuries or CDs, but we do not know what the rates will be in the future when they mature. Presently, longer-term maturities are producing lower yields than shorter-term maturities. Therefore, the bond market is telling us that rates are expected to fall.

Investors who have an appetite for more risk can get higher yields from junk bonds, currently yielding

over 6%. When designing an income portfolio, we would recommend using private credit funds, which yield over 9% with historically less risk, than junk bonds. It may be possible to generate a 6% yield from an income portfolio, but these strategies will generate taxable income. Additionally, some of the portfolio should be allocated to growth investments to keep up with inflation.

Retired business owners who may be used to running expenses, such as automobile, meals, travel, and health insurance, through their businesses will need to pay these expenses with after-tax income. This means they may need more income in some instances to support their lifestyle than when they were working.

Investment strategies can vary widely between retirees and their advisors, and investment results will vary widely as well. These factors make the creation of a general rule of thumb for retirement a futile exercise. However, once an investment plan is created, the amount needed to retire can be calculated on a case-by-case basis.

To receive the weekly email version of Mr. Singer's column, email the word Column to [Caitlin@Singerwealth.com](mailto:Caitlin@Singerwealth.com).