Are You TRULY Maximizing Your Retirement Assets?

By Samuel N. Asare
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Everyone would like to believe they're getting the absolute best bang for their investments. But the unfortunate reality is that unbeknownst to a large number of folks, and sadly enough to their so-called financial advisors, their hard-earned assets are simply not being maximized.

Ted was certain that the strategy that he had in place for protecting the inheritance he intended to leave his beloved granddaughter was second to none. He'd had enough of the stock market's fluctuations and would like to assure that his granddaughter will receive a set amount. Ted's long-time financial advisor recommended he buy a CD with the $100,000 he intended to leave his granddaughter. This would offer him the needed assurance, plus roughly $2,000 in interest a year.

It's not a surprising recommendation, but is that the best way for Ted to achieve his goal? Will that move maximize his hard-earned money? Obviously, he and his advisor thought so – until after Ted's meeting with advisors on my team. Here's what we recommended:

Ted invests his $100,000 in a contract that guarantees him an income of $7,128 a year for life. It is important to note here that because this contract is not an annuitization of his investment, if Ted dies before depleting his original $100,000 investment (which will be in about 14 years), the remaining balance will be turned over to his beneficiary (granddaughter, in this case). His yearly $7,128 payments will continue for as long as he is alive, whether that's for two more years or 55 more years. With those lifetime payments, Ted then purchases a no-lapse-guarantee life insurance policy with a $100,000 death benefit, naming his granddaughter as beneficiary. Despite some health challenges, we were able to secure that coverage from a highly-rated insurer for $2,772 a year.

Now let's take a look at the two approaches. The CD strategy brings in $2,000 a year, compared to a net of $4,356, after paying for the life insurance from his $7,128 lifetime income under our recommendation. Assuming Ted dies after 10 years, the CD route would have yielded $20,000 in interest payments. In addition, his granddaughter will receive the $100,000 inheritance. Alternatively, with our approach, he would have netted $43,650 (after receiving $71,280 in lifetime payments and paying $27,720 in premiums). What's more, not only will Ted's granddaughter receive the $100,000 insurance benefit, but also the remaining balance from his lifetime income contract (around $28,000+).

The difference is clear. It's pretty much a no-brainer at this point that Ted will be much better off with our approach, isn't it? Of course, your situation is different. But the question remains: Could you be doing better? Although Ted could not have possibly fathomed anything better than what he already had in place, his curiosity uncovered a whole new world and changed the course of his retirement beyond his wildest imagination. What might you discover with similar research?

For a thorough review of your financial situation to ensure that you are getting the most out of your hard-earned assets, call 877.656.9111 or visit www.LaserFG.com to request your complimentary, no-obligation session today!

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About the Author

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