

A Case Study Inspired by Real Life

The Engineer

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John retired last month. A true engineer, John had worked long hours for the joy of completing the puzzle in front of him. The position in his company reflected his efforts and commanded respect. Through his career John learned that intelligence, diligence and logic could solve most problems.

John's skillful attention for detail translated into his retirement planning. He developed spreadsheets upon spreadsheets projecting portfolio growth and what the couple could afford to spend in retirement. He factored in the expense their daughter's upcoming wedding, a decrease in general expenses, and eliminated those savings they no longer needed (he even included the reduction to their tax rate as part of this plan).



Phyllis retired 3 years ago. Phyllis was a High School History teacher in their local school system who spent over 30 years teaching. She had tried to retire twice before, but by the end of the summer break her calling had drawn her back in. When Phyllis finally retired, she walked away knowing she made a difference in many lives. She also earned a pension that was about 80% of her pre-retirement salary, Phyllis had no financial qualms about "pulling the trigger." In fact, she saw no reason to include John in the decision.

Phyllis was a pro at being retired. During her summer breaks she developed a friendship ring of trusted people that endured throughout the years. She always had a plan for the day that included a health variety of things.

John, not so much. John now had a lot of time on his hands. He put all his engineer-type energy into afternoons tinkering around the kitchen table, rearranging the cabinets to a more efficient layout, oiling the already oiled hinges of every door in the house, and coming up with the most optimal way to handle storing washing and folding laundry.



Finally, one day, after John's strategic decision to move the dishes in the cabinets closer to the dishwasher (for limited reach in putting them away) his wife asked him to leave the kitchen and go get a life. And by asked- we mean told.

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John resigned to his computer to evaluate his retirement spreadsheets more closely. He spend all day in front of the computer modeling scenarios, What if this? What if that? How did the markets do yesterday? Hmm... I better update the values.



Suddenly, while looking at his projections, he noted he had never included inflation as a factor. Attempt-ing to fix the problem, he ran multiple columns, and delet-ed an important starting number. This was unlike him. 3 hours of adjusting later it dawned on him- he needed help. **He was too close to the situation and was evaluating to get to an end result rather than reality.**

When John and Phyllis came to me, my first goal was to get them on the same page about their retirement.



What were their common interests? Times when they needed space? What kind of extra expenses does their ideal retirement create? What goals do they have? What might hey be doing only because they heard that was what they should do?

They never discussed it seriously TOGETHER. Sure, they had conversations, but with a facilitator asking the right questions, it was a much different experience.

Once they agreed upon their mutual lifestyle and goals, we shifted to discussing where their portfolio was in light of their retirement ideal. We hoped to get them to a place where their investment income would leave them relatively comfortable. In discussing this, John was surprised to find that he was taking more risk than his goals required. Remembering 2007 market declines, he was quick to allow me to help make adjustments with him to optimize the portfolio.



While Phyllis long knew the benefits of being coached, John took some warming up to the idea. He still demands a level of detail on his situation beyond most clients, but in that he derives comfort and trust in the process. He learned that sometimes he can't force a situation and intelligence in and of itself is not always key to success in new or personal situations.