
THE *INVESCO* Alternative

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... Achieve Financial Independence

Number 205 Wealth Management - Estate Planning - IRA's December 28, 2016

Registered Investment Advisors - Certified Public Accountants - Real Estate Brokers

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What Are Your Chances of Dying Broke?

One of our clients, Jan McNeilly, (yes, Ryan's mom) sent us an article recently published in the USA TODAY newspaper. It was titled "**Savers Too Scared to Invest Have 81% Chance of Dying Broke**". Here are some of the highlights in the article:

"As you age, your fear of running out of money will grow. It should. Because as you approach retirement, you'll have fewer opportunities to out-earn your spending. Fear rightly keeps you in check. It can be the difference between running out of resources and a sustainable retirement income strategy.

Too much fear, though, can be a disaster. The problem is, when you attempt to avoid one set of risks, you almost always expose yourself to another.

Safe, but very sorry

Let's say you absolutely fear the stock and bond markets and want nothing to do with them. Your primary retirement investment strategy involves CDs, money market accounts and boring old savings accounts. The bottom line is unless you plan on dying young, you're likely to run out of money. Inflation can turn your savings into an ever-diminishing pile of paper. And when you factor in withdrawals, a cash-only investment strategy is terrifying and unsustainable.

Savers refuse to become investors because they're terrified of the unknown. You have a staggering 81% chance of running out of money when

taking 4% withdrawals from a portfolio made up of cash holdings during a 30-year retirement. With a portfolio of 60% stocks and 40% bonds, you'd have just an 8% chance of running out.

Safety seekers are 10 times more likely to run out of money by refusing to invest.

A refusal to take a stake in stock and bond markets has spurred the popularity of insurance-based products, such as annuities. As with any product, it behooves you to understand all sides of the coin. The second you avoid the risks of equity and bond markets, you are instantly subjected to liquidity risks, inflation risks and insurance-failure risks.

You cannot avoid risk, despite what advertisements might tell you. It takes courage to make such important financial decisions. Running from the wrong type of risk can make for an awful retirement."

All of the portfolios we manage at *INVESCO* are based on each client's individual risk tolerance. We have very few client portfolios invested in bonds, and we don't sell any products like annuities or mutual funds.

If you understand how the stock market works, it takes all the fear out of investing in the market. Call or email us and we will send you our "Book of Revelations". It is a simple one hour read (straight-talk) that will help you determine what level of risk you should have and teach you our philosophy on exactly how the market works and which investments you should make or avoid. Or call or email us and schedule a time to come join us for lunch.

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