

Our Government Underfunded Us · Our Schools Never Measured Up for Us · Our Employer's Bailed-Out of our Pension Plans · What Happened to the Perceived & Anticipated Fully - Funded Retirement Years?

By: Mark Charnet

Picture this, my Grandmother, Esther, was huffing and puffing from exhaustion, she had run 4 NYC blocks checking each and every bank for the CD rates for her maturing CD and didn't want to roll it over at a lower yield than she had before or at her regular bank if the neighboring bank was paying more. She eventually found what she was looking for, a double digit interest rate for 1 year with the interest payable in cash, every month. The highest rate was critical for her survival; this was the summer of 1979, inflation was packing a wallop, costs of goods and services were rising sharply and her Social Security check, including my grandfather's, totaled less than \$700 a month. His pension was \$84 per month after working 40 years as an embroiderer for the Ladies International Garment Workers Union. They accumulated \$100,000 over their working lifetime and I remember how excited they were to receive a 10% rate on their CD. The \$10,000 in annual interest gave them \$833.33 per month which was critical to their success in having more money than month! I'm glad they are not alive to see what a struggle it would be today to run from bank to bank, corner to corner, through the streets of Brooklyn, breaking a sweat to receive a paltry .8% annual rate of return on their \$100,000 CD for a monthly interest income of \$66.66. What would they do, how would they live, who would be able to help? It's sad to think that they would be better-off getting sick or developing Alzheimer's, condemning them to a Medicaid facility, where the government would provide a roof over their heads, 3 meals a day and a TV to watch. Another alternative, which has proven successful for some, would be to gift their \$100,000 CD to their only child, then rob a bank, get arrested and live for free for the rest of their lives in jail, encompassing the same perks as the Medicaid facility.

There are other alternatives like moving-in with one of your children if all of the parties could agree, or they could have taken-in a roommate to share expenses, they could skip a generation and move-in with their grandson and his family or they could do what Tina and Louise did, drive their car off a cliff! That is what the Indians use to do in the Wild West; when senior Indians felt they had little or nothing to offer or help the tribe, they just wandered-off into the wilderness to be eaten by a bear or other wild animal or cat. But, we're Americans you say and we don't do that! Well, let me ask you? Is there much difference between letting our senior population exist in a nursing home until they die or going-out to pasture (a form of suicide) to extricate themselves from society? In the movie, Logan's Run, the senior citizen problem never existed, because when you reached a certain age you were killed-off as not to be a drain on society in any way. If I remember correctly the age was 24!

How much better life would be, in retirement, if we could all be millionaires when we arrived! This is the myth that was compounded and reinforced by the government, our school systems and our employers. Don't Worry, Be Happy! We **were never taught** the importance of self-funded retirement planning and **we were never taught** how to properly withdraw an income from our retirement portfolios. Furthermore, **we were never made aware** of the costs, sacrifices, requirements, discipline, choices and the tools necessary to secure a fully funded retirement program. **We were never taught** where to invest or how or how much was necessary and at what rate of return. Some people will be luckier than others inheriting a large sum from

their parents; others, might have done well in business or the stock market, securing their own retirement, yet many, might end-up like the native Indian, contemplating their last dinner and conversation before determining the best time to move-on and walk away from the tribe to die.

In thinking about these alternatives, where do you place yourself? Could be scary to think about it? Yes, trust me; it's scarier to actually be forced to make such choices. The better answer is to admit to yourself that your government, your schools and your employer let you down, then plan to have a successful retirement in spite of those handicaps. Learn the strategies, techniques and concepts that when applied, will carry you toward financial success. It is **never too late to learn** and apply the lessons to your portfolio regardless of where you currently stand financially. **Better late than never** is the most appropriate mantra at this time.

“In every adversity, there is a seed of equal or greater opportunity” and it's your job to seek it, find it, nurture it and grow it into prosperity. Since we do not know when our last day will be, we can assume we have a decade or more in front of us to fulfill our quest of becoming financially independent. If not for ourselves, then for the other special people in our lives. They will ultimately benefit from your toil and sweat if you cannot. I wish my father had built-up a fortune for me, but, alas I must create up a fortune for my children, without his help. I have learned from my parent's lack of proper attention to their financial responsibilities as they never saved or invested enough and today they are paying the price for their serious mistakes!

Think about this for a moment **“everyone in life is exactly where they planned to be.”** If you planned to be financially free and worked your plan, you will arrive at your destination and probably on time. Conversely, if you had no plan and are nearing, entering or are already retired and are under-funded, you are exactly where you planned to be! The problem was initiated because nobody told us how imperative it was to save, invest and prepare for our financial future. Just interview a few people in their 60's and 70's, asking them if they could have saved a little more during their working years; ask them if having an extra \$100,000 today would have made a difference? Ask them if they would have lived on less to designate \$30 per month in their thirties to improve their 70's would that have reduced their standard of living to any significant degree? Would their answers inspire you to learn from their mistakes? I hope so! Today is the first day of the rest of your life; if you believe this, then you also believe in second chances and now is the first day of your second chance to get it financially right, for the rest of your life! With that thought in mind, may I encourage you to call me for an appointment, so I can offer you a little help and guidance in your quest! As always, I never charge a fee for an appointment, so there is nothing to lose and everything to gain for you, your spouse and your family! We are having a workshop series on ways to allocate your portfolio during rough economic times Oct 25th 26th and 27th, so call to get involved and to benefit!

To my Jewish readers; may the New Year bring you, your families and the world, Peace, Harmony, Happiness and Good Fortune.

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