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FINANCIAL TIPS & LIFESTYLE TRENDS



WHAT'S IN THIS ISSUE

Can You Psych Yourself Up To Save More Money?

Think of Your Retirement In Three Phases

Golf Tip - Health Tip



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Over 40 Years of Leadership

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CAN YOU PSYCH YOURSELF UP TO SAVE MORE?

You have probably spent decades saving for retirement, and you might have a decade or more of saving to go before you actually retire. At times, your resolve may be tested. The stock market may falter; household money pressures may mount; new near-term priorities may arise. What can you do to stay on point and stick with this financial commitment you have made to your future self?

First, keep picturing the future you want. Envision the dreams and goals you want to accomplish. If you want to retire to a certain place, spend a day or a weekend there. If you imagine yourself enjoying a particular hobby or pursuit, try out that pastime today. This could reinforce the importance of retirement saving at a time when distractions threaten. Second, if you are tempted to spend more and save less after a raise or promotion, think about the opportunity cost of that choice.



cont'd from page 1

A \$100 or \$500 expenditure on some consumer good poised to depreciate is not an investment in your future, but \$100 or \$500 invested in equities or fixed-income vehicles could result in further progress toward your savings objective. Third, automate your saving and investing, if that is not already the case, so you never have to think about it. You can do this with an IRA, not just a workplace retirement plan. Some workplace plans offer you the option of gradually increasing your contribution rate. So, instead of merely saving for something hazy called “retirement,” save for the dreams that inspire you.

THINK OF YOUR RETIREMENT IN THREE PHASES

Phases, stages, acts, chapters, steps. Whatever you want to call them, consider that your retirement may unfold in a way many others have, in three successive financial segments. Your budget and income could see adjustments as you move from one phase into the next.

In the first phase of retirement, is not uncommon to arrange some “peak experiences” and live some longstanding dreams. These adventures sometimes cost more than new retirees expect, which can be a major financial concern given two possibilities: the prospect of retiring before you are eligible for your full Social Security benefits, and a probable reduction in your household income. If you retire early, you might want to tap tax-advantaged retirement savings accounts first. If you retire to a lower tax bracket, then shifting tax-deferred investments into a Roth IRA could be wise. A Roth IRA conversion is a taxable event, but the tax paid upon the conversion may be at a lower rate than you would pay later when taking Required Minimum Distributions (RMDs). After age 70, retirement may start to become more about relaxation; one key is to keep RMDs from pushing you into a higher tax bracket. After 85, paying for long term care may become the biggest financial worry – and so you may want to look at forms of LTC coverage now, as that coverage could help you avoid spending down your savings.



GOLF TIP

Consider trading in your blades for hybrids

Long iron shots give some golfers trouble because the low amount of loft on their clubfaces can make it hard to get the ball up in the air. If you have trouble with them, perhaps switching to hybrids will help. The center of gravity in a hybrid club is positioned much farther back from the clubface than it is for a long iron, and that can help an average golfer (whose swing speed is lower than the pros) get more height on their shot.



BRAIN TEASER

Everyone needs to be on BOARD

- 1) Used with telephones
- 2) A advertising tool
- 3) Right-side of ship
- 4) Found around water
- 5) Old time cars had two
- 6) So many keys and yet no door can be opened
- 7) College professor's headgear
- 8) Used in the old west

1. SWITCHBOARD, 2. BILLBOARD, 3. STARBOARD, 4. DIVE BOARD, 5. RUNNING BOARD, 6. KEYBOARD, 7. MORTARBOARD, 8. BUCKBOARD

DID YOU KNOW?

Most of your body is less than 10 years old

After all, your cells are constantly recycling and regenerating. Your red blood cells are wholly renewed every four months. The skin you have right now will be entirely replaced in 2-4 weeks. Even your skeleton revitalizes itself every 10 years or so.

HEALTH TIP

Scrub your hands when you wash them

Some people wash their hands more thoroughly than others, and thorough is good. Start by wetting your hands, then apply enough soap to get a good lather going. Then, vigorously scrub your hands, your fingernails, and between your fingers for 15-20 seconds. This scrubbing is what removes the bulk of the germs and viruses, not to mention oil and dirt.

WHO SAID IT? Franklin D. Roosevelt

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Happy New Year!

WHO SAID IT?

“When you reach the end
of your rope, tie a knot in it
and hang on.”

See page 3 for answer

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