Casey Mullooly: In episode 303 we talk about how there's more than one way to skin that retirement cat. Welcome back to the Mullooly Asset Show. I'm your host, Casey Mullooly, back with you on a hot summer afternoon for episode 303. Like I alluded to, we're going to talk about some differing styles when it comes to retirement planning. The first one coming from Nick Maggiulli who blogs over at Of Dollars And Data.

Casey Mullooly: His piece this week was about this concept of dying with zero, which he got from a book. We'll link it all up in the show notes so you can go and check it out. But basically this idea of dying with zero is exactly that. It's that you want to spend down your investment accounts while you still have the chance.

Casey Mullooly: You know, you want to get the most out of life and have these experiences and spend money while you're still healthy instead of holding onto that money for later in life. Nick cites research that's done by United Income and it showed that the average retired adult who passes away in their sixties leaves behind $296,000 in net worth. That number increases to $313,000 for those who pass away in their seventies, it goes to $315,000 for those in their eighties and for those that pass away in their nineties, the average net worth left behind is $238,000.

Casey Mullooly: So across the board, sixties, seventies, eighties and nineties, that's the substantial amount of money. So this idea of dying with zero is one of the ideas is that you give your beneficiaries, your children or other beneficiaries that inheritance earlier on in your life so you can enjoy them spending that money.

Casey Mullooly: So interesting and definitely a different way to think about retirement planning. On the other side of the spectrum was a post from Mike Piper, another great personal finance blogger. He blogs over at the Oblivious Investor, alluding to this too. Mike wrote about how you should consider spending a conservative spending rate in retirement because of the uncertainty and how it's not market uncertainty that is the biggest risk to retirees, it's actually healthcare spending.

Casey Mullooly: Mike cites research from the Center for Retirement Research at Boston College that says exactly that, that the biggest risk, the biggest risk facing retirees is healthcare costs more so than market uncertainty. Usually we build financial plans for people and we want to protect against the market and we don't know what we're going to get from a market in any given year so we bake in some wiggle room in the spending and the portfolio withdrawal rate, because of that.

Casey Mullooly: We want to protect against all of that market uncertainty. But usually we think about how we can control our spending. That's the one thing we can control, right? Mike begs to differ and he cites that research about the healthcare spending. Life happens and people tend to get sick when they get older in life and that can change in the blink of an eye and that's something that we can't really plan for so we should probably build in some wiggle of room, just in case.

Casey Mullooly: My point being by talking about all of this is that there's no right way for everyone to retire. That's why we spend time upfront getting to know our clients and getting to know their wants and their goals for their money. We need to know before we build our financial and retirement plans, we need to know if you want to leave a legacy behind to your kids when you're not here anymore. We need to know if you want to get the most out of life and spend the money while you still have a chance. We need to know if you're scared of running out of money in retirement. These are the things that we need to know ahead of time so we can build and plan for accordingly.

Casey Mullooly: If you're relying on rules of thumb and generalities for retirement planning, as you can see from these two kind of conflicting ideas, there's no right way. There's no consensus right way for people to spend their money and retire. So definitely a lot to consider here from a retirement planning perspective. I'm going to leave that to you to consider, to think about. So that's going to wrap it up for episode 303 of the Mullooly Asset Show. Thanks as always for tuning in. We'll be back with you for 304.