

Tom: In episode 28 we talk about the biggest surprise retirees face. Welcome to the Mullooly Asset Show. I'm your host Tom Mullooly and we're in episode 28 the Murph. We're going to miss Daniel Murphy. He was a really great Met. We saw him come up in 2009 and he was there during all the lean years, had a bunch of home runs in the post season last year. Now, he's a Washington National. We're going to have to dislike him for a while but Murph, you were great. We're going to miss you. The way the format works with this videos is that we get questions from our clients, we got topics that our clients want to discuss. If you've got something that you want to talk about, just get in touch with us. You may wind up on a future video. Casey is going to read the questions, that's the typical format and we'll try our best to answer them. What do you got for us today, Kays?

Casey: I'm getting closer retiring, what should I expect when I comes to expenses?

Tom: Interesting question. Our friends at Merrill Lynch came out with a survey they released the results recently and they talked about some of the things that surprise retirees when they finally did retire, things like, "I never thought I'd start my own business. I never thought I would travel as much as I did. I never thought I'd relax as much as I did." The number one thing, the number one thing, "I didn't think things were going to cost as much as they do today." That's a really crappy thing to find out when you retire. Here's my advice. Stop trading your 401K. Stop worrying about what the market did this quarter and think about how much are you putting away for retirement. Don't worry so much about what happened in the last 60 or 90 days in the stock market.

Think about how much money is coming out of your check that's being set aside for the future. We have clients now that are retiring at 55, 60, 65 and some of them are working until 70. I'm probably going to work pass 65 but the thing that we have to show people is that they are also living longer. They are living until their 90s. We have several clients who are now in their mid 90s. We had a clients who lived to a 101. It cost money when you're 94 years old. Food cost the same. It still goes up every year. You're going to need money and you're going to need more than you think. It has to last a while longer than you think. Don't get hung up on what the market did this quarter or who's going to be elected president.

We have one. We've had a president every year for over 200 years. Don't worry about it. They still have to work with congress. There's going to be lots of changes that happen. You've got to look at the big picture for you. That's the message today. You need to really focus on your goals and your goals shouldn't be trying to beat them, beat the SMP or beat the market every 60 or 90 days. That's just not the answer. Your goal should be how much am I going to need to put away for retirement. A good way to start is figure out what your expenses are every month. I'm amazed and we talked about this in other videos, I'm amazed at how many clients when you sit down you ask them, "Okay, getting ready to retire. What's your number?" They don't even know. Your number is what are your monthly expenses.

We're not talking about, "Last month we had a special thing. We bought a car." "The

month before was really different because we took a trip. That doesn't happen every month," or, "The month before we had to go to the emergency room. We had an emergency car repair." Hey, guess what, those things happen every single quarter. They happen every single month. That's called life. You have to add all of those things together in one pot and come up with a monthly number. We don't care what the number is. Some people are embarrassed to share the fact that they spend \$20,000 a month. We don't care. Figure out what your number is then we can back into a plan but do your homework and figure out what your expenses are now, then we can map out how much you need to be saving. Saving more money for retirement should be the number one goal on your plate. Join us again for the next one. That will be episode 29 where we'll talk about the heaviest Met ever, Mickey Lolich, See you then.