# MONEY EMPOWERMENT GUIDE



WEALTH WOMAN



# WELCOME

If you are feeling frustrated with conventional financial “wisdom,” you aren’t alone. Most financial strategies being pushed on us today are designed to keep us from going broke, not designed to help us become truly wealthy. So many of us have been convinced that we have to minimize our lifestyle today in order to save large quantities of money for the future. Because of that, we defer gratification and experiences that could bring us joy.

But what if we could find a better way? What if we could update our financial strategies for the world we find ourselves in? What if we could hit the Income Easy Button and enjoy more of our hard earned dollars today and in the future? What if our dream life was really possible?

The photo above is me with my family. I want my kids to know their dream life is possible—and that means it’s up to me to model it for them. I can’t wait to show you how you can can do that too.

This empowerment guide is meant to help you understand how we got here—and what you can do now to start living a more robust, wealthier life.

# HOW DID WE GET HERE?

Let's do a little time travel. Retirement, as it exists today, hasn't been around for very long. Life expectancy after World War II was only about 63-64 years old. That means that while a few people lived to a ripe old age, most people graduated from the planet before they could run out of money. And if you were affluent, your retirement income was generally created by your pension and social security—which means a check showed up every month, no matter how long you lived. There was no risk of running out of money.

If you had a financial advisor, the only thing you needed them to do was grow your account. Because your retirement income was already taken care of by your pension and social security, your advisor did not need to create another income stream for you. He only needed to show that your account was growing and your net worth was improving.

Somehow, this is still how we are taught to measure wealth today—by taking a snapshot of net worth. **But net worth has no direct correlation to income.** Read that again.

The world has evolved. Most of us don't have pensions anymore. And social security isn't enough to replace our full lifestyle. The role of a financial advisor has changed. We can no longer focus only on net worth. We need to plan for income, so that we can maintain our preferred lifestyle into our golden years without the risk of running out of money.



We cannot solve problems by using the same kind of thinking we used when we created them.

-Albert Einstein

# WHAT DO I NEED TO KNOW?



## LIFE EXPECTANCY IS UP

Life expectancy has increased almost every year since the 1900s. If you make it to age 65, life expectancy becomes closer to 85. And life potential is close to 120 years old. That means your retirement income probably needs to last for 20-40 years.



## EXPERTS DON'T KNOW

The experts are still trying to figure it out. There is no conclusive answer to *how much can I safely spend in retirement*—I don't know about you, but I don't want to be the experiment.




## MAXING OUT YOUR 401K IS NOT ALWAYS THE ANSWER

Contrary to popular belief, maxing out your 401(k) might not be the best strategy for long-term income creation, especially if you hope to retire before age 59.5.



## KNOW YOUR DREAM LIFE

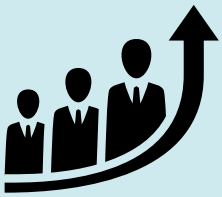
If your advisor does not know what your dream life is, how can they help you build it? Putting money into an investment portfolio is just an investment strategy, not a complete financial plan.

# WHAT YOU NEED TO KNOW

## OLD MATH APPLIED TO A NEW REALITY

The gentlemen who did the original study to determine how much you can safely spend in retirement won a Nobel prize for their conclusion. They told people in 1998 that the safe withdrawal rate in retirement was 4-6 percent.

BUT when the data from 1999-2023 is added to their research, the conclusion is radically different. A 4 to 6 percent withdrawal rate actually leads to failure in 25 to 75 percent of all market outcomes. **That means going broke in 1 out of every 4 possible market scenarios.** Or at the higher end, 3 out of every 4 market scenarios!



Most advisors are incentivized to focus solely on rate of return and net worth. That means they aren't focusing on how to maximize your income when you retire.

## YOU'RE AN INNOCENT BYSTANDER IN THE FINANCIAL SERVICES WAR

The financial services industry is at war. It's the insurance companies versus the investment companies—and they both want your money. Like two kids fighting over a toy, each side will claw, bite, and scratch the other. Salespeople are taught how to sell against their competition and the only loser is you. It's time to make both sides work together on your behalf.



# WHAT EXACTLY IS THE PROBLEM?

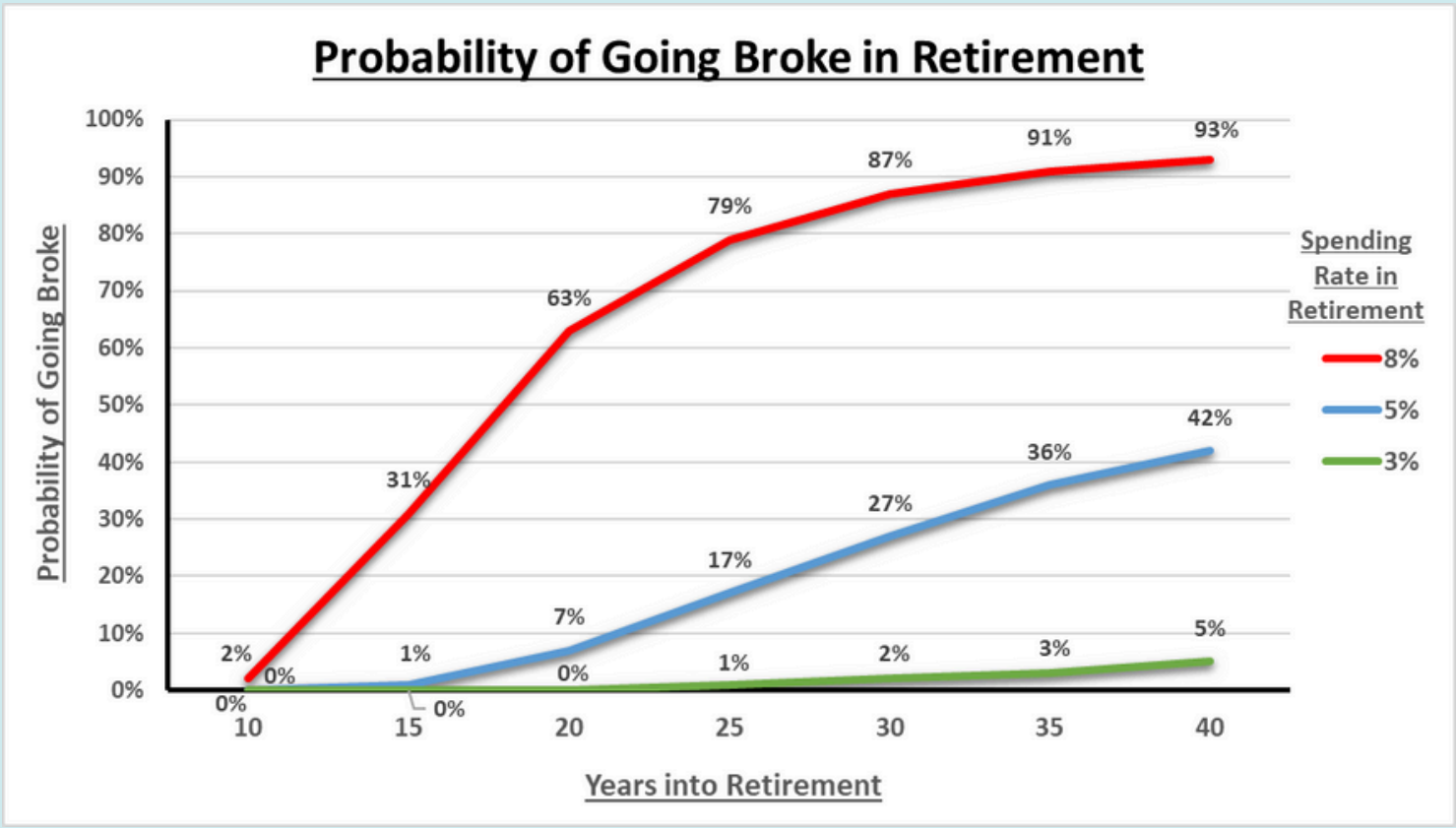
We must change our perspective. When we change our perspective, we see new things.

It takes $1 million to create $30,000 per year of income in retirement, if you want a better than 90% chance of success over a 30-year period, as displayed in the graphic below. That means 10% of possible market outcomes could cause you to go broke.

I say that's not good enough. I would never fly on an airline that crashed 1 out of every 10 planes. In fact, that airline would be shut down by the FAA.

And yet, many people in the financial services industry tell us we can spend as much as 4% per year. Current research shows that 25% of market outcomes could cause us to go broke—meaning 1 out 4 scenarios lead to running out of money.

Chasing rate of return may get us a bigger pool of money, but it does not solve our income problem. We cannot diversify our way out of this problem.



# WHAT CAN YOU DO ABOUT IT?



If you are proactive about optimizing your income strategies, you can reach your dream life faster than someone pursuing the same tired old strategies that should have been retired years ago.



**01**

### EDUCATE YOURSELF

Accumulation strategy should be different than distribution strategy. Growing your money is different than spending it.

**02**

### FIND THE RIGHT ADVISOR

Look for advisors, consultants, and resources that follow an economics-based financial strategy. Conventional strategies focus on needs-based analysis, which means looking to cover what you need, not building for what you might want. An economics-based approach takes your resources and maximizes the output under every economic scenario—good or bad.

# WHAT CAN YOU DO ABOUT IT?

**03**

### MINDSET FIRST

Work on mindset first—income, abundance, dreams. Then look for strategy—how are you going to produce income? How will you know if you are acquiring an asset in the most profitable way? And product last—this could be a specific investment, insurance, or other vehicles that provide growth.

**04**

### FOCUS ON REVENUE CREATION

Recognize that you cannot abdicate your responsibility for your own money. Instead of looking for strategies that tell you to minimize your life, look for strategies that create more revenue.

**05**

### DIVERSIFY

Diversify in and out of the stock market. Stocks, bonds, and commodities are good, but consider adding real estate and insurance tools, as well as private equity as you go.



Everyone knows it's important to diversify inside of an investment portfolio, but it is just as important to diversify across financial tools beyond stock market investments

**06**

### EVIDENCE-BASED APPROACH

Use an evidence-based approach. Run the experiment. Measure the income outputs for one strategy versus another. Any advisor worth their salt should be able to model income outputs for different strategies. (Note I said strategies here, not tools. If an advisor is only showing the income a specific tool or investment will create, that is different than showing you how the tools work together to create more for you.)

**The Income Easy Button is a strategy designed to help you create more income without saving more, without working harder, and without taking any more risk. When applied properly it can help you retire with more income, retire earlier, or relieve the pressure on how much you save today.**



# THE INCOME EASY BUTTON

The Income Easy Button is a strategy that combines investments and whole life insurance in a manner that increases your safe sustainable withdrawal rate on the date you choose to retire.

By acquiring a balance of investments and whole life insurance, you can create two income opportunities that would not be available to you if you only had one tool or the other.

The ratio of investments to insurance matters a great deal in this strategy. It's very *Goldilocks*: You don't want one side to be too hot or too cold. The balance must be **just right** in order to hit peak income.

The investments will give you a healthy rate of return to grow your assets. The insurance will change how you take income when you are ready to retire.

Incorporating insurance correctly will also ensure that whether you pass prematurely or live well beyond life expectancy, your retirement income continues for you and your dependents.

The Easy Button provides more income with less risk. And the earlier you start funding both your investments and insurance, the better! But don't worry if you feel behind—it's not too late! In fact, it's important that you don't try to play catch up by taking more risk. You especially need efficiency if you are already feeling behind.

# How The Income Easy Button Strategy Works

## Before retirement, you fund:

Investments and Whole Life Insurance

On the day you retire, your whole life permanent death benefit should equal the value of your investments.

## At retirement, you pick:

| Simulated Pension | Market Shock Absorber |
| --- | --- |
| Guarantees income for life (and your spouse's life) | Hedge against market downside while increasing safe income rates |

## Get 30-70% more retirement income



# SUPERCHARGING YOUR STRATEGY

Once you hit the Income Easy Button, you can coast for a while or you can lean in. It's totally up to you. If life is busy and you aren't interested in hands on investing, that's okay! With the Income Easy Button, you're already better than where you were before.

But if you want it...there's more!

One benefit of funding whole life insurance is that you can borrow against the cash value without decreasing the growth on your money—if your contract is set up correctly—allowing you to use the insurance company's money to acquire assets that produce income, like real estate, private money lending, private equity, and any investment with an income focus.

As those assets produce income, you can pay the insurance company back at your own pace (which is totally different than a normal loan!).

Now you have the return in your policy, plus an additional asset generating income. And you did that without saving anything extra.

**You can do this as many times as you want!** The Income Easy Button is the foundation. The possibilities are endless.

# HOW YOU CAN LEARN MORE

### ATTEND A WORKSHOP

We offer full-day workshop with in-depth education on everything you've read in this guide and more. You can find upcoming dates at wealthwoman.com.

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