



## Simplifying Your Financial Life

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For many professors summertime provides reprieve from busy routines, giving way to vacations and time with family. This summer also granted the opportunity for reflection, given the tumult of the previous year, allowing many to define what is most important to them and the goals they hope to accomplish. In that regard, a complex financial life leaves more room to miss key things, may needlessly pay more in taxes, and leaves fewer assets behind for their heirs. For those edging closer to retirement, the biggest questions moving forward are: how do I begin to simplify my financial life? What does simplification even look like?

My father is a musician, and my house was often filled with classical music when I was growing up. I am struck by a quote by Frederic Chopin that, despite its musical origins, is applicable to the denouement of one's career.

“Simplicity is the final achievement. After one has played a vast quantity of notes and more notes, it is simplicity that emerges as the crowning reward [of art].”

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Our clients, much like you, have juggled the complicated aspects of life both personally and professionally. Their careers span decades, they have accomplished many of their goals in research, and they have adult children and grandchildren. They have “played the vast quantity of notes.” We focus now on simplifying their financial lives to create flexibility and achieve sustainable retirement lifestyles.

## The Geography of Retirement: Where You Live Matters

Reviewing your real estate holdings is an important exercise as you move toward retirement. Ask yourself questions like: is the home I live in now the same home I am going to retire in or be living in during the next 5-10 years? If not, explore ways to free up cash flow before retirement. Significant opportunities may exist to reduce the fixed monthly expenses of a home or vacation property.

You might have a short-term mortgage on your primary residence or vacation home that you are paying off quickly. Paying off debt, including your mortgage, is a sentiment hardwired into our minds and it’s not a bad one! However, depending on your situation, it can limit your ability to put more money toward supplemental savings for retirement, especially if your intentions are to exit the property in the near-to-intermediate term anyway. Anticipate where you might be living in retirement, whether you are downsizing, relocating, or renting instead of owning. Exiting or refinancing real estate positions can provide flexibility and immediate liquidity in your cash flow.

## Track Your Spending Today and in the Future

Is a portfolio worth \$2 Million “enough” for retirement? What about a \$5- or \$10 Million portfolio? It is difficult to answer this question with any certainty without a good sense of your spending. This can be complicated and only becomes more intricate when you lay out which expenses will be removed or added in retirement.

Are you supporting your adult children through college? Will you travel more in retirement? These are big picture financial questions that will highlight where opportunities exist to balance your ledger. We have entered a period where the stock market remains near all-time highs and bond yields continue to be extremely low. With increased valuations and speculation in markets, future portfolio performance is uncertain.



What is certain is your control over your spending decisions. For an easy way to track your budget and overall spending, consider using only one credit card.

## Get Organized: Investment Housekeeping

How many investment accounts do you currently have? Within those accounts, how many mutual funds or other investment vehicles are held? Do you have multiple retirement accounts through different universities? Understanding the structure of your portfolio can be challenging

when you have numerous accounts and investment holdings. Consolidating where appropriate can help control the level of risk in your investments and may delay required distributions. Fewer retirement accounts mean fewer beneficiary designations to update and keep track of, allowing you to better monitor your estate transfer goals.



Whether you are thinking about retirement in the next year or 15 years, it is never too early to get a jump on simplifying your overall financial picture. Simplifying can mean freeing up cash flow for retirement, eliminating expenses, or reducing the number of university accounts you hold. After decades of a tireless work ethic, your “crowning reward” is a simple

path to financial independence for you and your family. Consult with a CERTIFIED FINANCIAL PLANNER® to simplify your financial life today.

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