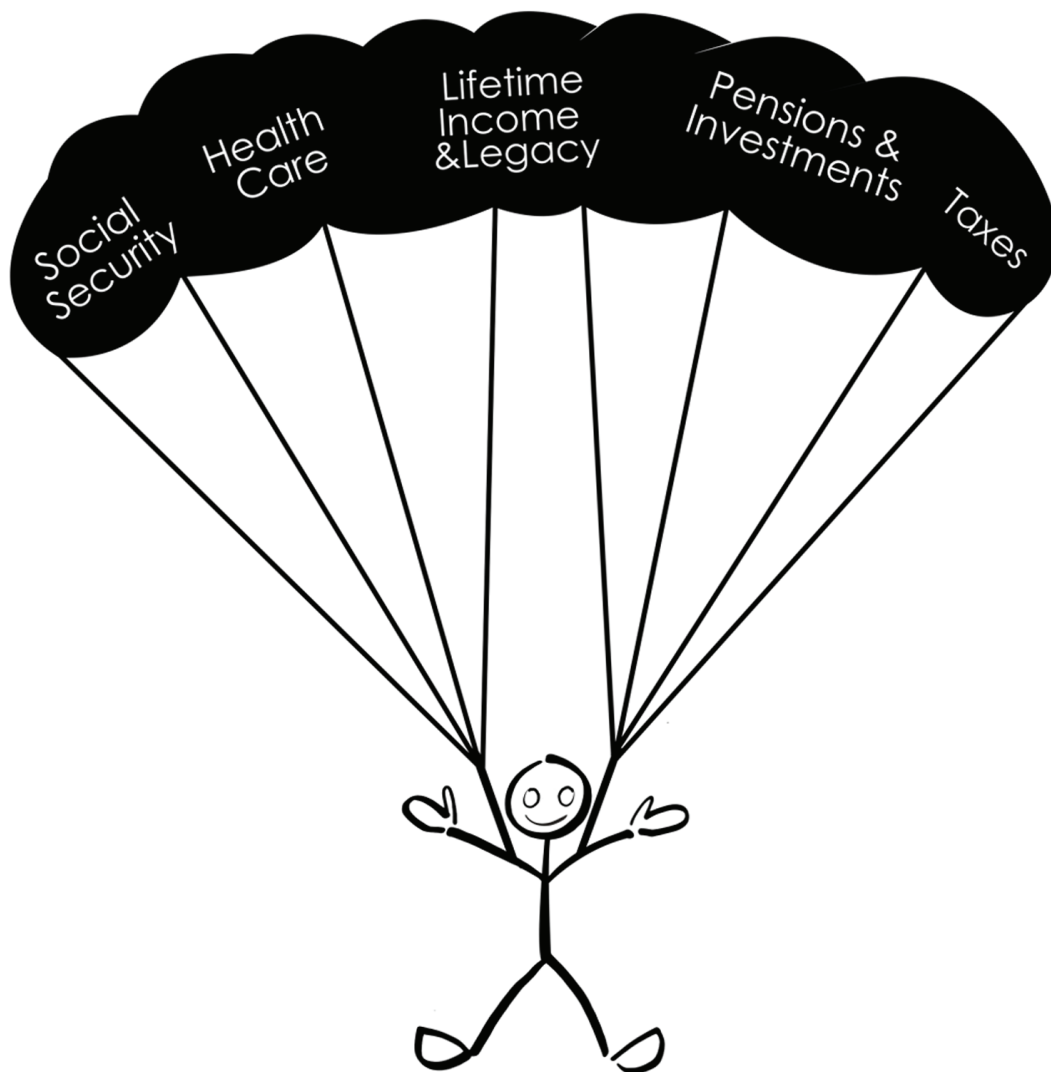


# REALISTIC RETIREMENT FOR REALISTIC PEOPLE



## LOOK BEFORE YOU LEAP

Randolph M. Martin, CFP® | Michael T. Martin, ChFC®, CFS®

**Additional Praise for**  
***Realistic Retirement for Realistic People***

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“The information in this book is good for the novice as well as more experienced investor, a way to review and set goals for retirement.”

—MARTIE K.

“Enjoyable to read, easy and practical information to understand.”

—MONTY S.

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RETIREMENT  
*for*  
REALISTIC  
PEOPLE



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## Foreword

*W*E'RE A MOM, pop, son, and golden retriever independent financial services firm in Columbus, Ohio, specializing in retirement income planning. Our respective names are Dian, Randy, Todd, and Callie. Dian and Callie really run the show while Randy and Todd meet with clients. Down the road, we may hire another golden retriever because they're smart and our clients seem to enjoy Callie more than the rest of us.

Randy gave up a short-lived career in the field of chemistry when he resigned from Battelle Memorial Institute in 1970 to embark on a new journey in financial services. On his last day, his co-workers treated him to lunch and told him they thought he



was making a mistake; the 1973–74 oil embargo followed by hyperinflation and numerous other economic problems since that time have often caused him to think they were right. Nevertheless, he developed some wonderful client relationships along the way, which prevented him from throwing in the towel. So the real credit for being able to remain in business and write this book belongs to our clients and the higher power that brought us all together.

Business progressed well enough that Randy thought Todd should join and make it a family affair. Truth is, clients were beginning to worry about Randy's advancing age and hoped he would find someone younger to carry on if he was unable to find his car in the parking lot.

Todd left a safe career in manufacturing with one of the world's largest family-owned businesses to join Randy early in 1996. It didn't take long for existing and new clients to see that Todd was a valuable addition to the firm. Things were progressing nicely until the tech bubble broke in 2000. Terrorist attacks, greed, and tumultuous markets followed, culminating in the so-called Great Recession of 2007–09. Our loyal, long-term clients continued to support our efforts and take our advice. Aren't they

wonderful people? We certainly think so, and we hope they never forget it!

So, giving ample thanks to our creator and savior, we're still here writing this brief book on retirement income planning. We hope our great, good, bad, and just plain ugly experiences will shine through to give some meaningful insight to your personal retirement plans. We like to think we can all learn from our mistakes as well as our successes.

We appreciate your indulgence. Thank you!

Please note that the client experiences described in this book are based on actual experience rather than actual facts. The facts provided are hypothetical rather than real in order to give our readers a glimpse of the financial circumstances that do arise. Similarity to any actual experiences of any reader is totally coincidental.



## Chapter One

# What Does “Realistic” Mean to You?

*W*E’VE HAD NUMEROUS experiences in our more than sixty combined years of working in the public arena. From those experiences, we’ve learned some lessons that allow us to help those of you who put your trust in us. Perhaps the most important lesson we’ve learned is that all of our long-term clients, generally speaking, appear very realistic to us. So that brings us to the very important question: What does “realistic” mean to you? If our view of realistic fails to match yours, can we really help you? Maybe, or maybe not!

We define realistic as being down-to-earth. We know we don’t know it all, and believe no one else knows it all either. We believe circumstances will

dictate human emotions. When things are very bad, we expect fear. When things are very good, we expect jubilation. In short, we believe that all humans will have both their ups and downs in life. We think it's realistic and normal to want to maintain some relevance with our peers (some of us think of this as "keeping up with the Joneses").

Consider an individual we met during the tech boom of the late 1990s. He had been retired for four years and had been taking about \$50,000 per year out of a \$400,000 portfolio made up entirely of tech stocks. He was exceptionally proud of his prowess as an investor, and we felt he was looking more for a slap on the back than for guidance with his retirement. When we suggested that a 13% distribution rate was *unrealistic* over a 20- to 30-year retirement, he reminded us that his money had actually grown during retirement. It was clear to us that we were wrong for him because his view of realistic returns was far greater than ours.

His last words as he left the office with his thumb up was that the market he was in was going to double, if not triple, in the coming three to four years. He believed that modern technology had rendered bear markets and bubbles a thing of the past. He was not alone; some so-called in-the-know

commentators were making the same claim. Unfortunately, we know what happened when the bubble broke less than one year later. We never saw him again, but we’re reasonably certain that his portfolio is no longer worth \$400,000. In the slight chance that it is, we feel safe in saying that his distribution rate is in the low single, rather than double, digits. It’s really not a matter of us being able to tell clients, “We told you so!” It’s more a matter of remaining historically realistic in both euphoric and panic situations. Are you beginning to think about your definition of realistic? We hope so, because that’s what this first chapter is all about!

### **Is it realistic to plan for all types of economic conditions?**

WE DON’T WORK with flamboyant folks who drive Lamborghinis and wear diamond stickpins or Rolex watches. Whether the owners of these items do or don’t have the real wealth their material goods suggest, we usually get along better with the less ostentatious, “millionaire next door” types. They tend to work hard for what they get, wear Timex watches that light up at night, and are generally very family-oriented. A realistic retirement for genuinely

wealthy retirees will have little to do with money and more to do with other family matters (which we'll talk about further in the next chapter). However, regardless of how much money you do or don't have, we believe it's realistic to accept the fact that circumstances can and will change—sometimes very unexpectedly.

One case in point is the childless widow of a businessman who earned ample income during his life. He established a pension plan with his business partner, and they were salting away significant assets toward retirement. Unfortunately, he died suddenly and unexpectedly. You would expect the carefully managed assets accumulated up to that point would provide his widow with a reasonable cushion for the remainder of her life. But then, circumstances changed. The broker handling the pension investments sold the deceased partner's investments upon news of his death, which happened at a time when markets were generally depressed. The widow's attorney filed for arbitration to recoup some of the losses. He called us shortly before lunch, asking us to prepare an assessment of the damages for a meeting early that same afternoon. So much for a lot of prep time!

We arrived at the hearing on time, but waited over an hour without being called for our testimony. Finally, the meeting was adjourned and we were informed that an agreement had been reached without the benefit of our services. Her attorney asked us to send our bill for time spent, which we knew would ultimately be paid by our client. To make matters even worse, the surviving business partner moved out of the state with a portion of the deceased partner's pension. The widow also received a favorable court ruling in that matter. Unfortunately, she never received a penny from either action once she'd paid her substantial legal fees. To cap everything off, she had a very hard time living within realistic means. She had been driving a Mercedes, but felt the need to purchase a Land Rover to help her shop when it was snowing. When we reviewed her expenditures over a one-year period, we found more than \$20,000 spent on multiple daily purchases for nonessential items. She was suffering from shock and boredom, and it was affecting her finances.

We asked her attorney and accountant to join us in an attempt to correct her behavior. Her accountant sided with our recommendation to reduce frivolous spending, and her attorney suggested she get a job,



"This book is great: Simple, down-to-earth and easy to understand. Easy read-good info-good layout. "

-Ted G.

"This easy-to-read book answered nearly all of our questions. This book has helped us gain a true understanding of the process required for a successful retirement plan. "

-Craig & Teresa D.

"What a surprise! I understood almost everything. Enjoyed reading it. A must read for everyone getting ready to retire. "

-Bev M.

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If you're looking for a map to start or improve your retirement journey this little book may be just what you're looking for! In this book you'll find simple and sensible suggestions for retirement planning.

Thanks to the primer here provided by Randolph M. and Michael T. (Todd) Martin, and based on their combined sixty years of experience in the field, you'll gain the confidence you need to start asking the right questions, and find the answers that are most appropriate for your individual circumstances.

The objective of this book is to help you get what you want and need in retirement with what you have worked so hard to obtain over your working life.

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## About the Authors



Randolph M. Martin, CFP® and Michael T. (Todd) Martin, ChFC®, CFS® are a father-and-son team focused on retirement planning for realistic families and folks in Columbus, Ohio. They are assisted by Randy's wife and Todd's mother, Dian. A golden retriever named Callie helps to entertain clients and keep her owners on their best behavior.

The A+ BBB rated-firm has been in place for over thirty years, specializing in working with individuals and couples to help them find solutions for their varying retirement objectives.

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