



Time & Money

A NEWSLETTER FOR THE CLIENTS OF JOHNSON BIXBY & ASSOCIATES, LLC

Time to Talk

We're So Proud: Karen Brown recently took and passed two securities examinations, the Series 6 and Series 63. With these licenses, Karen will be better able to service clients who call with questions or needing to request a change in their mutual fund portfolios. Congratulations, Karen!

Desert Travelers: Kim and Debbie have recently returned from conferences held in Las Vegas and Scottsdale. Kim attended the 2nd Annual Retirement Planning Symposium, while Debbie went to the Financial Planning Association's annual Retreat. They brought back a wealth of information from each meeting, which will be shared with the JBA team and, of course, with you as well!

continued on back



Megan Woodard, Kim Baker,
Deborah Johnson, & Heidi Bixby

Planning for the Stages of Retirement

Retirement is often viewed as an "event", when it is actually both a process (requiring planning and adjustment) and a life stage (lasting for multiple years). Numerous studies reveal that the retirement process consists of distinct emotional stages that people transition through. These stages do not apply to everyone, but they do provide a guide for thinking about what may be encountered.

The first of the 5 stages is **imagination**. While retirement is still years away (6-15 years prior to retirement), we work to identify post-retirement goals and dreams. This may involve discussions around what a client wants to achieve, what they'd like to pass on to others and how they would like to spend their time.

Stage two, **anticipation**, starts about 5 years before retirement. During this phase, some people start to feel anxious or have a sense of loss about coming to the end of their working years. The regular annual reviews we have with clients help make sure that they are on track and prepare for the changes ahead.

Next, we have the actual retirement day – **liberation!** Following a "honeymoon" period, the excitement, relief, and enthusiasm may wane as the realities of retirement set in. For about 1 year post-retirement, we work with folks to help them adjust to a change of schedule, income stream, taxation, etc.

A period of **reorientation** comes next, and may last for about 2-16 years. This is the point in the process during which an emotional let-down may be felt. Some people may experience feelings of emptiness, boredom, and worry as they adapt to their new routines & identities as retirees. It is common for folks to "take inventory" of their retirement experience and outline ways that will improve their retirement lifestyle.

At last, the retiree reaches a point of **reconciliation**. Mastering a comfortable and rewarding retirement routine is the ultimate goal of retirement. Some people are able to do this soon after they leave employment, while others take longer. Marked by feelings of increased contentment, acceptance and personal reflection, retirees who have reached this phase have settled into a comfort zone that can last for many years.

When planning for retirement, it's important to remember that the process involves more than just accumulating enough assets to live comfortably. As part of the work we do with clients, we try to help folks understand and anticipate these stages to better achieve fulfillment after retirement. Your retirement could last for 30 or 40 years, so take some time to think about how you want to craft those years – you may be surprised at what opportunities you find!

Time to Talk, cont'd.

Student Loans: With interest rates for student loans set to increase on July 1st, it may make sense to consolidate any outstanding student loans now and lock in at a low rate. Keep in mind that you are only allowed to consolidate once, so if you have already done this in the past, you won't be able to consolidate a second time unless you have a new student loan.

Office Closures: Our whole team will be attending a business planning meeting on June 8th and 9th. While we won't be immediately available, we will be checking for messages and will respond as quickly as possible. The office will also be closed on July 3rd and 4th in observance of Independence Day.

The Value of Big-Picture Planning

We all face financial decisions along the path of life – sometimes they are small and sometimes they are big. To avoid operating from the “penny-wise, but pound-foolish” position, it is helpful to step back and evaluate where one's attention is being focused.

Here are a few instances that may warrant reassessment:

- **Vacations** – deciding to purchase a timeshare or an RV. Review your lifestyle and what type of vacationer you'd like to be – do you really want to own? An alternative to making such a large purchase would be to rent for awhile instead of buying. Opportunities to rent a timeshare owner's week(s) at a greatly reduced cost can be found on www.redweek.com.
- **Overreacting to short-term events** – making quick, reactive changes that could hamper the long-term outcome of one's plan. Shifting assets to cash when the stock market goes down or having everything in equities when the market is going up are prime examples. Since we never know when the market will recover or drop again, maintaining a well-balanced portfolio during both the ups and downs of the market creates more consistent returns over the long-haul.
- **Focusing on small details at the expense of the larger picture** – keeping a balanced perspective of one's entire financial plan. If you've ever caught yourself concentrating your efforts on finding a cell-phone plan with the cheapest minutes, and then suddenly become aware that a large chunk of long-term money just resting in a savings account yielding a mere 1%, you may need to re-evaluate how you are expending your efforts!
- **Using gas to save on groceries** – traveling across town to use a coupon. How many times have we traipsed across town to use a particular coupon, purchase an item at a reduced cost, or save some pennies on a gallon of gas? And, how many times have we stopped to realize that the savings we just gained was very likely used up in the extra gas it cost to get across town?

We aren't saying that one tactic is always better than another, but we do encourage clients to keep the bigger perspective of their financial plan in mind and to review it on a regular basis. One advantage to establishing an ongoing relationship with a financial planner is to have another voice in the decision-making process to help explore different options, perspectives and alternatives.

Introducing...

We have the great pleasure of welcoming two new members to the JBA team – Carren Senn Walker and Nicole Meehan.

Carren joined our Operations team in December. She loves living in southwest Washington with her husband and raising their daughter in the area. Carren is very involved in the community and serves as member of Rotary and the Library Foundation Board. She holds a Bachelors degree from Smith College in Economics and a Masters in Mathematics from the University of Illinois, as well as having studied in Paris for a year. One of Carren's hobbies is cooking and we can certainly testify that she's really good at it!

Nicole is our newest addition and holds dual roles of office manager and receptionist. She and her husband, Matt, are newlyweds having just exchanged their wedding vows in January. After graduating from high school in Vancouver, Nicole has spent the past 7 years as a youth pastor with different churches across the states. Some of her favorite things to do are watching ESPN and playing tennis with Matt.

We are excited to have both Carren and Nicole join our team and encourage you to say hi next time you are visiting or have the opportunity to talk with them on the phone.

Also, it might be helpful to keep in mind that we have both Karen Brown and Carren Walker in our office. (That's right – 2 Karens!)

Longview Dates – please remember our NEW location!
(1128 Broadway — corner of 12th & Broadway)

Every Wednesday - Kim (except July 5, August 16, and August 30)
June 20 – Debbie July 13 – Heidi August 15 – Heidi
June 21 – Heidi July 18 – Debbie August 22 – Debbie
August 30 – Heidi

Now that Kim is in our new office more often, we are experiencing more people dropping things off. We welcome this and it is helpful to know to expect the visit - an email or call is great.