

Hey there, it's Mark Zorrill back with the PlanVision podcast. This discussion will be about your future and thinking about it, hoping for it, and your financial plan. I review these quite a bit with clients; it's what we do. All of our advisors are doing this. And as we talk through these with folks, we don't explicitly say these things, but we're referring to your aspirations, your hopes, expectations as part of what you're... part of what you're planning for. And in some ways, we can help you understand those or define them for you, give you some parameters with which you can work with. And as a part of this process, we review all the data that you put into that thing. For some people that are close to retirement, in retirement, this represents a life of work and effort. As some people are more on the front end, they're getting started, or they're in between. But there it is, it's in your plan.

The Reality of Assumptions

But we're looking forward. And we're using these assumptions in the plan, and we normally use conservative assumptions, but sometimes I think we even take those assumptions for granted. We don't know how the future is going to play out or all these assumptions that we planned for. You know, there's no God-given right to a stable world when you retire. There's no guarantee that your returns will outpace inflation. Or that the markets, the stock markets, or other markets for that matter in the future, will do as they've done in the past. You know, past performance is not a guarantee of future results. Or that your expenses will be what you think they are. How many families have been sidetracked by unexpected events, unexpected expenses? Or that your personal life, your relationships will not change significantly. I just turned 61 and am more aware now than ever of how health changes can alter people's lives and their plans and their futures.

A Cautionary Anecdote

Just a moment ago I said that your plan represents what you've accomplished and what you hope to do. But it's based upon assumptions, these assumptions. Be careful about getting too attached to them. Or to the idea—here's the message—the idea that you're owed these assumptions because of what you've done in the past. It happened to me years ago. I was... had not been in my career that long, maybe three, four years. I was talking to a client, and he... we were talking about his situation, but we had talked about his mom. And he explained to me that... this is kind of how he phrased it. His mom had done everything right her whole life, she had always paid things off, she had been a great saver, she didn't spend much money. But interest rates had gone down and he was managing her affairs and he was looking, you know, with disgust at what she was making on her CD rates because she wanted everything to be stable, understandable. I think CD rates had gone from 5.7 down to 5 or 4.7. Not a big deal, right? He's whining about this. What I said to him is that the Fed, the banks, the world, nobody owes his mom anything. They don't owe her a certain interest rate. And he looked at me and he appreciated that. Ah, thanks for telling me that.

Conclusion & Outro

Now I know that he was just kind of a complainer, that's part of what he was about. But I also knew his mom's situation too. She had way more money than she was ever going to spend. She was in great financial condition. Maybe he was just upset a little bit that he was going to get less later. Might be my cynical viewpoint of it. But he just had to complain about something. But I thought that was a great example. Just keep in mind, as you contemplate your plans and your futures, you're going to have to, or you may need to, adapt your assumptions as necessary to the changes that we experience. Thank you for listening to the PlanVision podcast. Let us know if you have any questions or comments on the topics covered.