Episode 114: RWS Live (not really) Answering Your Safe Withdrawal Rate and Annuity Questions

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SPEAKERS
Alex Murguia, Bob French, Wade Pfau

Bob French 00:00
The purpose of retire with style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to risaprofile.com/style and sign up to take the industry's first financial personality tool for retirement planning. You know with all of the work that you put in saving for retirement. You think spending that money should be pretty easy.

Alex Murguia 00:50
Hey, everybody, welcome to retire with style. I'm Alex. And I'm here with my trusted companion and great acquaintance. Wade Pfau Hey, everyone.

Wade Pfau 01:05
My acquaintance now?

Alex Murguia 01:06
Yes. Well, can anyone really be how many friends can you really have in this world? Where

Wade Pfau 01:13
you work colleague?

Alex Murguia 01:14
Let's be Yes, I have my work colleague, my associate my, like, bon vivant, confident. That's gonna know where let me just let me just do this thing and get going. So today, we're going to continue with our Q and A's and it will be talking about safe withdrawal rate and annuity questions. What do you think? Wade?

Wade Pfau 01:40
Sounds like a good plan.

Alex Murguia 01:42
Yeah, sounds like chocolate chip cookies. All right. Let's get right to it. First question. I'll start it off here. I have been interested in an immediate annuity queue lack those two things that go together?

Wade Pfau 01:57
Well, that's yeah, that's the whole queue lack is an immediate annuity. Because immediate means you annuitize immediately. Okay, but I

Alex Murguia 02:05
see what you're saying. But okay, you can see where I was like,

Wade Pfau 02:11
that's the problem and media and deferred means two different things in the world. Yes,

Alex Murguia 02:15
it's okay. You're one but it's not for

Wade Pfau 02:18
anybody.

Alex Murguia 02:20
Yeah, exactly. I have I have been interested, let's take two. I have been interested in an immediate annuity kulak to one diversify my income streams, since I do not have a pension. But a lump sum that depends on market conditions to help alleviate longevity risk. Since I have been waiting to take Social Security at 70 years, this coming May and three, the 200,000 that's the cue like is qualified and will not be counting towards my RMDs that I will start in three years age 73 Until I reach age 85 and will only count the RMD amount that comes out each year as income period. Question, is it better to keep the 200,000 in the market and have higher taxable income or buy the kulak? Thanks. Take it away. Mr. Pfau

Wade Pfau 03:19
This is the way the question is worded at the end. It's the classic. It depends what you're more comfortable with. But right. The qualified longevity annuity contract. It's a deeply deferred income annuity. And so as the person has described, it

Alex Murguia 03:38
is a deeply deferred, immediate,

Wade Pfau 03:41
that's right income. That you're going to purchase this at age 70 turn out with it turning on income at age 85. So there's a 15 year deferral period. And that tax benefit being addressed here is that 200,000 is now taken out of the RMD picture so that you're not having to pay the the RMDs on it between ages 73 and 85. And then once those income payments begin to 85, it's it's taxable. All all annuity payments coming out of a retirement account are taxable ordinary income. So you do get the little benefit there in terms of deferring some of your required minimum distributions. It is an immediate annuity, it's protected lifetime income that begins later in life, which reduced the costs for $200,000. You're gonna get a nice chunk of income starting

at age 85. And the other benefit and also is helping to manage longevity risk. In a way you can kind of okay, if I can make the 85 I'll be okay after that, because alongside Social Security and other any pensions or anything, and I have this kulak turning on as well. It's going to provide me some additional income. So yeah, absolutely. The case was made in a strong manner for the kulak. Then the question is really just taking this turn of Should I do that? Or should I leave my money invested in the market? And that's where

Alex Murguia 05:05
I would, I would start with where you start off that point, which is, this is the biggest issue that the biggest misconception or the biggest marketing kind of judo that that they like to play with us on is an annuity and our investments are two separate things, think of an annuity as an insurance product. And think of an investment as an investment. Right. And so the reality is, your decision to get the kulak is based on an insurance decision that you're making, which is, I don't want to worry about running out of money, when I you know, before I die, and a lot of folks refer to Culex as almost like a dementia kind of insurance as well, where as you get in that those later stages in case anything happens. You've kind of automated things right for the rest of your life. And so you have to be calm, those have to be the salient reasons why you do a kulak. It's not a hey, will I get more of this. And that's not the way to look at it's not an it's not an investment product, it's an insurance product. Now, that being the case, having something like that in place, the question I wouldn't ask is, hey, what can I make more as opposed to putting $200,000 in that now? And not really seeing those benefits for 15 years? Can I make more with a 200,000 for 15 years? And that's another way I would look at it, I would look at because there are two different things. Right? I would look at it as that's insurance. So now you've protected yourself from, you know, age 85. Onward. And so the question is, can you potentially be more aggressive with your investments? If you wanted to knowing that you have that safety net down the line? I would venture to say the answer could probably would be most likely, more yes than no, let me say it like that. And that's the dynamic that those are the trade offs, I would be asking myself, wait,

Wade Pfau 07:02
yeah, and you're not necessarily sacrificing a lot of the upside in those early years. And if you end up living a very long time, you could potentially leave a larger legacy through the use of a kulak. And thinking in particular allocating from bonds to purchase the kulak, not necessarily allocating from stocks to purchase the kulak. But if your retirement income style is more total returns, you're probably going to lean more towards just feeling more comfortable having the money in the market and not making that irreversible commitment to the Gulak. If you're income protection, the culet can be a great way to build that longevity, risk protection and insurance into the plan. And even if your time segmentation, where you think about buckets, you might really frame that kulak as here's a bucket to cover my long term needs. Don't have to worry about that anymore. So I think you'll see the key lack would probably appeal to most income protection, maybe second place time segmentation, it could be a tool to consider with risk scrap as well. And then it would be total returns is the least likely to resonate with the story of what they can do that can offer to the retirement plan.

Alex Murguia 08:10
No, and wait, I'll do my own personal stuff. As I'm layering my stuff in and I fell in the income protection bracket. I'm more looking at a kulak to give me that layer down the line. Although you're limited by 200,000. I wish I could have been more frankly. But for argument's sake, the

queue like and as I mentioned in the last episode, just jamming on that as HSAs as much as possible. Those are kind of going to be cornerstones for me. So but I'm not looking at the kulak as, okay, it's gonna outperform the s&p or anything like that. I don't, I don't care. It's an insurance thing that I can lock in, I don't have to worry about I don't want, like even my wife worrying about something more happened to me. You know, at a certain age, I don't want her worrying about oh, but the market, I want to make sure we can get something going.

Wade Pfau 08:59
And I don't know what the point would be from age 70. I know just with interest rates having come up I checked recently about if you've got a kulak in your mid 40s and didn't get the cash refund and had it turned on at age 85. I think the payout rate was more than 100%. So you'd be looking at more than $200,000 a year of income. Now that's not inflation adjusted. And that's really the only downside potentially with the kulak is you know what the income payments will be in nominal terms, but who knows what inflation is going to be over the next however many years to know how much purchasing power you're going to be generating with that.

Alex Murguia 09:35
This This podcast was recorded the day after Powell's speech on inflation. So wait, why don't you give us your thoughts on what Powell said and what the minutes with the cover and where you think things are going?

Wade Pfau 09:47
Right interest rates did not change.

Alex Murguia 09:51
All right. Next question. What is the best way to use a spear and that's again, we're using acronyms. So single premium mini immediate annuity. What is the best way to use a spear in combination with an FIA fixed index annuity? And is it better to invest a large sum in of FIA at one time? Or a little each month?

Wade Pfau 10:15
And with this question, we are talking a little bit before the episode sometimes it's necessary to try to guess what's really being asked. But I can't do it with this question. I'm not entirely sure, like combining the SPIA with an Fia, there are two different types of annuities. I don't know if the question was trying to get at should I use the SPIA or an FIA with a living benefit? Or whether it maybe they were thinking the FIA is the living benefit?

Alex Murguia 10:41
Or are you thinking the Island of Dr. Moreau?

Wade Pfau 10:44
Yeah, I'm just not entirely sure what to do with this question that if if you're going to see a route, you probably don't also want a living benefit on the FIA unless you're looking at blend your your income, so part SPIA part FIA with living benefit. But if you don't put the living benefit on the FIA, you're using it more as a bond alternative. And we talked about that a lot with the time segmentation, that's potentially a way to fill those short term spending buckets in with tax deferral, and then with a yield that may be competitive with anything bonds can provide.

Alex Murguia 11:21
Let me ask you, let me ask it this way just to see if it jiggers something in your head. Kevin does an FIA could fit potentially have all the attributes of a SPIA and then some, hence, just get an Fia, it may not pay out as much on a monthly basis because it's not maximizing the mortality credits as much as the speed up. But it has some characteristics of a SPIA inside of an FIA where you don't see that the other way around. So you may be better off focusing on a FIA and triggering, you know, whatever writers you want that kind of give you more SPIA like, characteristics. Yeah,

Wade Pfau 12:00
the FIA with a lifetime income benefit, behaves the same way as BIA in terms of providing a guaranteed lifetime income. It actually has additional benefits because there's some liquidity you can get the contract value back out if you decide you no longer want this. And you have some limited growth potential opportunities for the underlying asset. So in theory, the payout rate on the FIA with living benefits should be lower than the payout rate on the SPIA. But in practice, sometimes you find the FIA with a living benefit may have a higher payout rate than the SPIA. And that's really a function of this idea of lapse ation pricing, there are behavioral mistakes. If you buy a SPIA, you can't make a mistake, you can't forget to turn on your income, you can't forget anything. It's an irreversible decision, you're gonna get those payments into your bank account every month, whether you like it or not, on day one, with an Fia, you can pay for the protection for the living benefit. And never actually get around to taking out the distributions you're allowed to take out. And so you're paying for insurance that you're not using. And the reality is a lot of people end up doing that. And so through competitive pricing, that can allow the payout rates on FIA living benefits to be higher than SPIA payout rates. So, so few, it's like, well, I've got a higher payout rate, I've got liquidity. I've got some potential growth and the underlying asset base in the early years. It's gonna be a no brainer, but at least there's there's not a lot of downsides to going the FIA route and that sort of scenario.

Alex Murguia 13:36
Exactly. I think that I think I want to say this in another way too, because I think this is this lab station thing. It's something that I'm not sure, sure it's fully appreciated. And so let's say actuarially, the fair price for this fee, this Fia, the month are going to give you on a writer is like $1. Right? Right, actually speaking, but the folks that buy what if you buy a spear, you're kind of getting an immediate, you're getting a pension from day one. So it's automated immediately. But an Fia, you're going to own it for a few years before you activate it or not, etc, etc. So even though actual elderly, they can say I'm gonna give you $1 of income per year, they can put on their, you know, they can commit to let's say, $1.04 a year. Technically, they shouldn't, it shouldn't go that high, but they know that a lot of folks will buy the FIA, and after five, six years, they just don't support it anymore switch out of it once they're out of their grace period, or you know, they get out of it or whatever. And so they're never on the hook the insurance company so they can kind of give you more than the expectation is because people will lapse on the policy. There's a certain I don't know there's a certain run rate down and I don't know what it is where do you know I thought we had no

Wade Pfau 14:55
mechanism where

Alex Murguia 14:56

there's a consistent lapsing that that the insurance Companies know that these folks will never, you know, we'll get out of it at some point, because that's just how it is. And so they can they can promise you a little bit higher on the backs of those people. They're not dying, but they're for the living.

Wade Pfau 15:12
And don't use it.

Alex Murguia 15:13
Exactly. It's another way of looking at it. Now, the last part of that question is, are they better off? Effectively? Dollar cost averaging into an FIA or just cutting a check at once? Yeah,

Wade Pfau 15:28
and that's where again, I'm more relevant for a SPIA than an FIA. And what the speeds? Do I want to purchase all the income at once? Or do I want a ladder in an overtime, and there's benefits and disadvantages of each approach. If you ladder in over time, you get more diversification around the interest rate environment, when you're making those purchases. You you get the optionality of the five buy it all today. And then a year later, I find out if a terminal illness or something, I could stop making those additional purchases, so you maintain more flexibility by laddering. And over time. Everything else being the same, you can make a case for considering laddering and purchases over time rather than doing it all at once. But with the FHA because it's liquid and you have the flexibility, that there may be surrender charges if you want your money out, but I don't think the it's whatever you're thinking of putting in an Fia, you can go ahead and do that you don't really have to specifically think about laddering it in overtime. Unless you're wanting to get maybe the maybe the reason to ask this is since usually, there's going to be terms that are very much linked to the date of purchase. And then each anniversary Subsequently, I guess you could benefit from diversifying and when those anniversary dates are, but uh yeah, actually, as I say that now, that might be a reason to ladder in the FIA purchases. But I think you do have flexibility, it's not obvious that one way or the other is going to be better for you.

Alex Murguia 17:02
Okay, but it's a different dynamic than the folks that asked or $1 cost average into the market. It's just a different, you know, different considerations.

Bob French 17:14
Are you up for the challenge? We've just opened registration for retirement researchers Retirement Income Challenge, starting on Monday, March 4, at noon, Eastern. During this free four day challenge with Wade, Alex and I, you'll get to take the Risa and discover how you approach retirement income, run and analyze your own funded ratio to understand where you stand relative to your retirement goals. And if you put in the work, come out, knowing how you can put yourself on a course to bridge that gap. We only have a limited number of seats in the challenge. So head over to Risa profile.com/podcast. To learn more, and sign up today. Again, that's Risa profile.com/podcast. See you in the challenge.

Alex Murguia 18:08
Okay, how do you suggest using a quote unquote, safe, planned withdrawal percentage rate? All other factors being equal? Supposing that inflation is presumed at 3%. And there are no bear

markets to contend with, none of which is probable. But I'm going to ask it anyways, I guess that's me, while you know, while including the required minimum distribution as a factor, so how do you suggest using a safe plan withdrawal percentage rate when everything comes up roses?

Wade Pfau 18:40
But and then but but there's RMDs? And yeah, and the RMDs? This kind of question comes up a lot with RMDs. In the general issue is you're not forced to spend your required minimum distributions, you're just forced to take it out of the retirement account, you can then reinvest it into a taxable brokerage account. The problem is you are forced to pay taxes on it. And that's where if you get an r&d Surprise, you could be paying at a high effective marginal tax rate with the impacts of Social Security and Medicare premiums and preferential income stacking that you have to deal with in the tax code, but the RMD in and of itself doesn't do anything other than force you to pay some taxes so it doesn't really impact safe withdrawal rate type questions or anything of that nature. It's just you do have to account for the fact I'm going to have to pay some taxes that does potentially create a little more sequence of returns risk for you although this we're presuming there is no sequence of returns risk. But you just you have to fund the taxes would be really the only consideration with with this particular industry

Alex Murguia 19:50
invested and you when you invest at the cost base is is that that reinvestment rate?

Wade Pfau 19:56
What the purchase Yeah, when it goes into the taxable account. There was another question too before that one is also on a similar thing. What is your strategy for sequence of returns risk when starting RMDs? How much in cash or bonds to draw on in a down market? And I think it's kind of a related question. It's the practical impact of RMDs. As you can have to pay some taxes and a fixed expense that you have to take no matter what the market is doing can create sequence risk, if you are having to take that distribution from a volatile portfolio. So there's a number of different ways to manage sequence risk. And whatever your preferred approach is, you want to be accounting for the fact that I'm going to have this required payment did not require, I'm going to have to spend for my assets to pay taxes on my RMDs. So I want to consider how can I manage sequence risk for that distribution, I need to pay my taxes with

Alex Murguia 20:59
I think, the most important part of these two questions for me, you said it briefly, but I think that's, that would be my first concern. Secondarily, I may be worried about the questions that they have. But the first concern is, you have to take those distributions, because the government wants their money back get on the tax deferral, right? Eventually, they want it back and RMDs has developed so that they take back each year relative to when you die, you've been paid in full, right? They are paid in full. So that's one of the things so they're going to want their taxes clients, a lot of times think they have to spend it but no, as Wade pointed out, you just have to take it out. Because you know, pay the taxable portion on that. And then that, you know, that moment, you can just put it in a taxable account. So you're invested again, to me, the more important question to be asking is, how does that play into higher, you know, your social security and such and such, so you can give yourself the best possible chance to be in the lowest tax bracket, while you're while you're doing some significant harvesting of those RMDs? It's really more a tax game question for me to make it more efficient than worrying about, you

know, what's the right, you know, safe withdrawal rate around this? Because you know, all these things that they put in? I don't know, wait, that's

Wade Pfau 22:16
right. I think you nailed it there. And it's not it. Yeah, it's more of a tax question. It's not a safe withdrawal rate question. And the only reason it will impact safe withdrawal rates is just because of this idea that you have to account for having some distributions to pay taxes that you wouldn't have had if if RMDs didn't exist. That's its only critical impact on sequence risk and safe withdrawal rates.

Alex Murguia 22:41
And the other thing I was saying, too, and this goes back to more the semantics, I personally don't like the phrase, safe withdrawal rate. There is no safe withdrawal rate on volatile assets. Just call it withdrawal rate. I'm being I'm being very, I'm being nitpicky and I'm being too cute by half. I get it. But I don't want to evoke the word safe when its total return.

Wade Pfau 23:05
Yeah. And to be fair, this question did have safe in parentheses, which I get when we were reading. Yes, there is no such thing as a safe withdrawal rate from a volatile investment portfolio.

Alex Murguia 23:20
Do buffer assets reduce the effect of sequence risk? If I have a buffer acid, is it reasonable to assume a higher safe withdrawal rate, if I'm able to avoid selling at a loss?

Wade Pfau 23:36
Yes, if you have buffer assets that can support a higher withdrawal rate than if you didn't have buffer assets. Now, specifically, when I talk about a buffer acid, I talked about it not being part of the portfolio, it's something on the side. So when I calculate the withdrawal rate, it's not the withdrawal rate on the portfolio plus the buffer asset, it's just the withdrawal rate on the portfolio. And naturally, if you have something that's not part of the portfolio that you can spend from on occasion, that allows for a higher withdrawal rate from the portfolio. So just almost by definition, with Buffer assets, you can use a higher withdrawal rate. But also there's the synergies of the sequence of returns risk. And this is something I talk about a lot more so in the reverse mortgage book because one of the classic buffer assets is a reverse mortgage. This idea that if your portfolio's in trouble, or it looks to be down relative to where you'd like it to be. Being able to draw from the buffer asset temporarily. Not having a cell from the portfolio helps you avoid digging a hole for that portfolio and gives your portfolio more chance to recover. And the synergies from doing that really helped to increase that, quote unquote, safe withdrawal rate. Even higher. A buffer asset is one of four broad techniques for managing sequence of returns risk, and because it reduces the Consider returns risk, it can allow for a higher initial withdrawal rate for that retirement plan.

Alex Murguia 25:06
So using a buffer asset is almost like a proxy Plan B times segmentation strategy.

Wade Pfau 25:15

Well, it's, I treat it as I'm messing with you. This, I treat buffer assets as distinct from time segmentation, but they can be sometimes they get confused or talked about as the same. When you're

Alex Murguia 25:30
actually utilizing the buffer asset, it kind of is you want to make time of utilization, bucketing kind of thing for that particular time period,

Wade Pfau 25:38
time segmentation is you have a short term bucket that you're systematically spending from to cover expenses. A buffer asset is you have this kind of short term bucket, but it's sitting out on the sidelines, you don't really treat it as part of your portfolio. And you have the discretion to tap into it when necessary. But otherwise, it's just sitting on the sidelines.

Alex Murguia 26:00
It's kind of what I'm in the holiday party, and I'm sitting at that table off

Wade Pfau 26:05
by yourself in the corner is no one will talk to you.

Alex Murguia 26:10
Yes, is waiting, watching you passed by not making eye contact until you need me to get you a drink or something. All right. Pension, annuities and Social Security provide a guaranteed monthly benefit. But they also have the advantage of being automatic and less subject to theft, dementia issues, stress for a surviving spouse, etc. Is there a similar approach for equity investments, something automatic? I'll just you can't have it both ways. If you really just take a step back, you know, there is no magic in the world. Right? The reason you're compensated for equity investments is because you're bearing risks. If you weren't compensated for bearing those risks, then everyone would just put it in the bond market. Right? If you had the same expected return for bonds and stocks, no one would deal with the aggravation of the volatility. And just by bots, right? And so at the heart of it, you have to start from there. Just theoretically, the only reason you're compensated for investing in equities is not because it's some magical thing where Okay, I'm gonna put money here and 10 years later, it's just gonna be more because that's how it is. No, you're compensated for taking risk. When there isn't risks to bear. There are no returns. It just can't You can't. It can't go the it can't go both ways. If not, economics wouldn't work. But Wade.

Wade Pfau 27:46
Yeah, yeah, that's right. And I guess the only thing I could offer there is, there's something called Managed payout funds, they never really took off. No kidding. They still exist. They're rare, they never really took off. But it is an effort in a mutual fund with a diversified portfolio for the fund managers to kick off distributions to the shareholders to try to replicate the idea of what an annuity would do, but there's no guarantees behind it. It is. So it's not going to get all the features that the annuity provides, but at least the being automatic part would still be subject to theft. There's still could be dementia issues unless you're just leave it alone. But maybe reduce stress for the surviving spouse, not a guaranteed monthly benefit. But at least a managed a payout Fund is a way to automate the because there's these two problems people face with an investment portfolio in retirement one is asset allocation. The other is how much should I spend

the Manage payout? Well, any mutual fund covers the asset allocation, you have fund managers picking the assets, the Manage payout fund was the additional effort to not only will the fund manager choose the assets for the portfolio, but to also manage the distributions from the portfolio. So to seek that professional management for both of those aspects, gives you something that you might want to look at and consider. But yeah, it's never going to be offering all the the advantages of insurance in that regard.

Alex Murguia 29:20
Okay,Wade, I want to I want to throw in one more question, because I think we can. I think you can guess who wrote this question. And it's a good one, and we got some time here. Is that all right, can I throw one in there? Okay, this

Wade Pfau 29:36
is off the cuff.

Alex Murguia 29:37
Yay. Do you have any thoughts for someone who has been at the same job a very long time is basically sick of the organization, colleagues and work. This is Bob, isn't it?

Wade Pfau 29:54
Yeah, I remember seeing him and I got a call. Should we

Alex Murguia 29:56
bring him in? Let's bring him in. Let's bring him in. It just happened asked me Look at me in the eyes. Now, do you have any thoughts for someone who has been at the same job for a very long time is basically sick of the organization, colleagues and work, mostly not their fault. I've been there for over two decades. But he's afraid to retire because of the uncertainties of the economy. And of whether I can find a part time job in retirement at the same level that pays as well. Do many people hang on to a played out full time employment situation out of fear? Yeah, let me tax Bob real quick see what he thinks about now. I would say, you know, real quick, just as us we, you know, we as, as someone that oversees, you know, a team, I wouldn't be surprised if people aren't picking up on on your on your kind of emotional well being already. It's one of those things that my experience, people that eventually maybe quit, or are let go of or transition. It's kind of something that has been brewing for a while. And if you you know, hand over your heart, if an employer does an honest assessment, those they can see signs of it. Obviously, there's always this back casting piece of it, where you're kind of rationalizing, oh, yes, yes, putting it together. But you kind of know. And if you're feeling like this, and you're writing this in you, I would, I would, I would take a reason bet that they're seeds of discontent are visible throughout. So just, you know, FYI, do people hang around to play it out full time employment situations out of fear, and also for health insurance, perhaps. But I would say this, and I don't know the exact number. But we've seen studies of this way we've done this, I think Kyle wrote something on this. It's twice I've mentioned him in podcasts, right? He's an advisor, he's no longer with us, he retire, etc, voluntarily, by the way. But I think people over age 50, and they're like trying to like off ramp into retirement. I don't know the exact number, but over 50%, and maybe less than 65% of them are let go off before they actually retire. So an amazing not an alarmingly high number of people are actually let go of, as you know, when in their mind, they think they're going to retire in a few years. That happens with great frequency. So I think, again, if you're really if you're saying sick of the organization, colleagues and work, I wouldn't be

surprised if that's not visible already. And you know, things are hanging and things are there. So I don't know, the answer is I think you make it like go before, you know, you, you effectively retire. But this is not a retire with style, income, retirement income question. This is just kind of what we see in the data. And just anecdotally, what you what you notice in in firms. That's what I that's how I would answer that one. Wade?

Wade Pfau 33:12
Yeah, well, we we did try to answer all the questions. So there was a small handful that I didn't put into the topics because I just didn't have a lot of good thoughts on them. But and this was one of those questions. But yeah, health care can be a lot of people just hang on for fear, because they need health insurance. Now the Affordable Care Act does make that easier that if you really are not enjoying the job, or that you're in, even if it requires a pay, cut, and so forth, maybe there is something else you can do that would provide more fulfillment. And at the end of the day, not everything's financial. And I think a lot of our listeners may also, they may be in good financial positions, and not fully appreciate that. Everyone's always worried about running out of money. But if you do a detailed financial assessment, just look at the possibility that maybe you are able to make some changes, even if it does require less pay, and still make things work out. And that might give you more life satisfaction than continuing at a job you really don't like, Yeah, and

Alex Murguia 34:17
look at when it comes to salary, you can, you know, it's never about the money. It's always about the money, you know, that kind of thing, and I get it, but if you really are, are already sick of it. And I get it, it's easy for me to say because I don't know the entirety of the context. But if you really are sick of it, and you don't find that your heart's in it, your performance probably isn't isn't in it as well and that's visible. And you may be better off just looking for a job that you can also potentially part time it into retirement if you want to, you know, we're big fans of the phrase retire into something not away from something. And so maybe this could be a good transition spot and if it doesn't pay you as much, but you're able to do it for making up numbers out 15 years 15 more years in a manner in which you like, as opposed to biting the bullet for five years, and potentially getting fired, though, in year three, and then needing to look for something and being out of a job for four or five years or doing something really, because you had no other choice and you took it, you know, there's a breakeven there as well. And so I'm always a big fan of take control of, you know, control what you can control, obviously, life is going to be random. But if you can control what you can control and, you know, nip things off at the, at the, at the at the butter, if you will, I think that may be a better overall strategy because again, well over 50% of the folks that are over 50 Get fired before they want to voluntarily retire.

Wade Pfau 35:52
And it's not just getting fired, but also health problems arise or needing to become a caretaker. But I think with all the different possible reasons, the majority of people retire sooner than they estimated they would retire. What do you think wait

Alex Murguia 36:08
Jovie lifestyle podcasts are we become

Wade Pfau 36:13
more of a quantitative guy myself?

Alex Murguia 36:16
No, I again, and this is not retire with style kind of material, but is that this is where human beings This is. This is my take. Take it for what it's worth. All righty. Thank you, everyone. Appreciate the time as always. And we're gonna do more Q questions now,

Wade Pfau 36:34
the last q&a episode, and I think even there was a handful of questions I didn't put into any of the episodes, but I think we actually ended up covering most of them as they're still you have that right in front of you. Maybe there's one or two still on that list.

Alex Murguia 36:50
We did documentation on

Wade Pfau 36:52
the payroll calculator. Oh, yeah. That's been taking. Alright. I

Alex Murguia 36:55
just said this is where we have obviously retire with retire, retire. Sorry, retirement researcher.com. We have effectively a membership site where folks can learn and we have resources and someone's asking you about one of the resources there. The payroll calculator, I will forward this on to Bob.

Wade Pfau 37:13
You've already taken care of that separate Okay, podcast. Okay, then

Alex Murguia 37:18
perfect. And then the last question, it's too long for me to read wait on the fly. But

Wade Pfau 37:24
when your time like the one that I didn't know the answer to, oh, I

Alex Murguia 37:26
don't know the answer to. Yeah. Well, how about we email that guy when we get to? It seems health related. So when we do Medicare and stuff like that, we can deal with it. All right. That's good.

Wade Pfau 37:40
This is the last q&a episode we'll we'll move on to other topics.

Alex Murguia 37:44
Excellent. All right, everyone.

Wade Pfau 37:45
Thank you for listening in. By

Bob French 37:50