



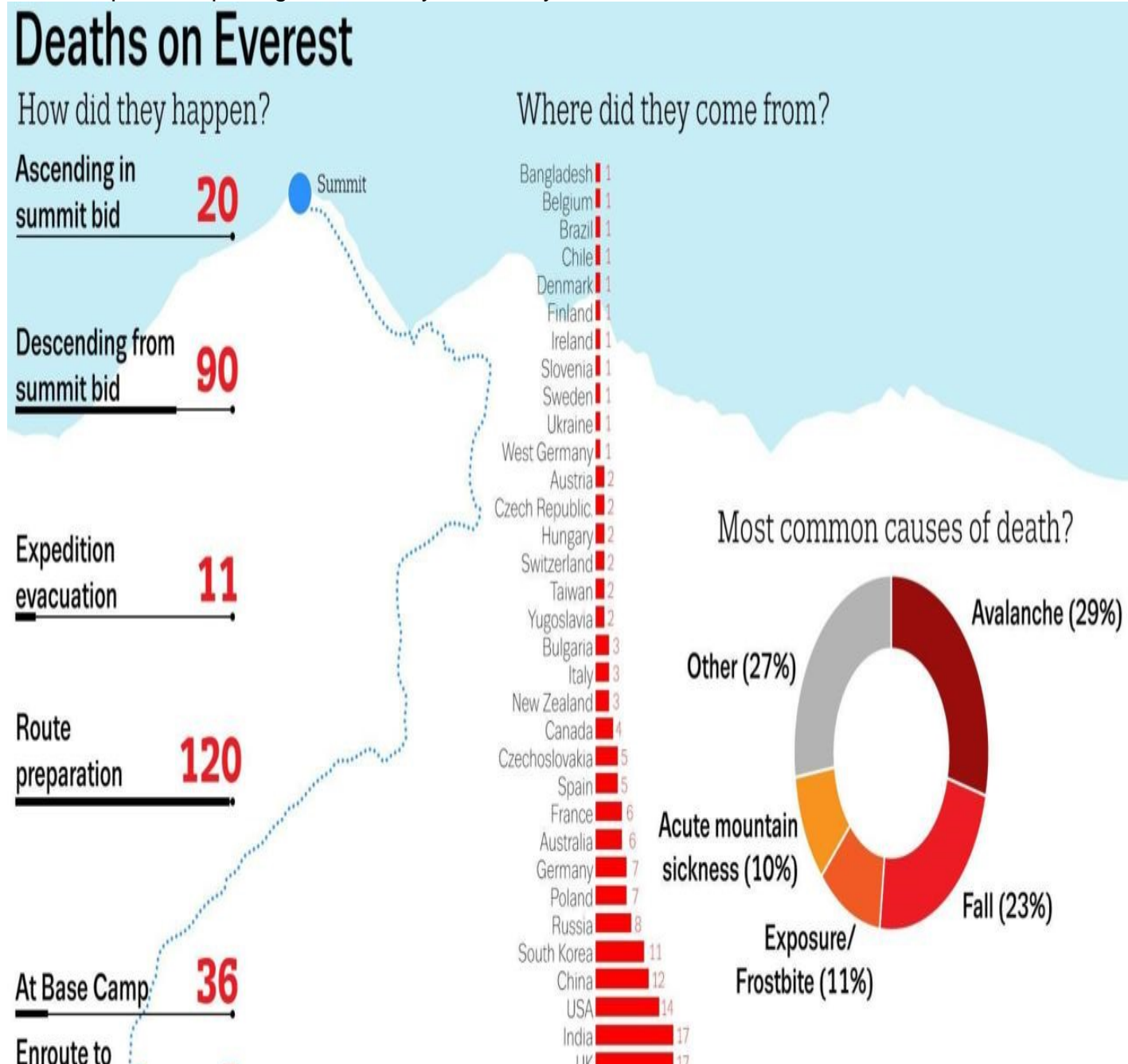
Conquering Mount Everest Year-One Of Retirement

#FPW: Financial Planning Wednesday

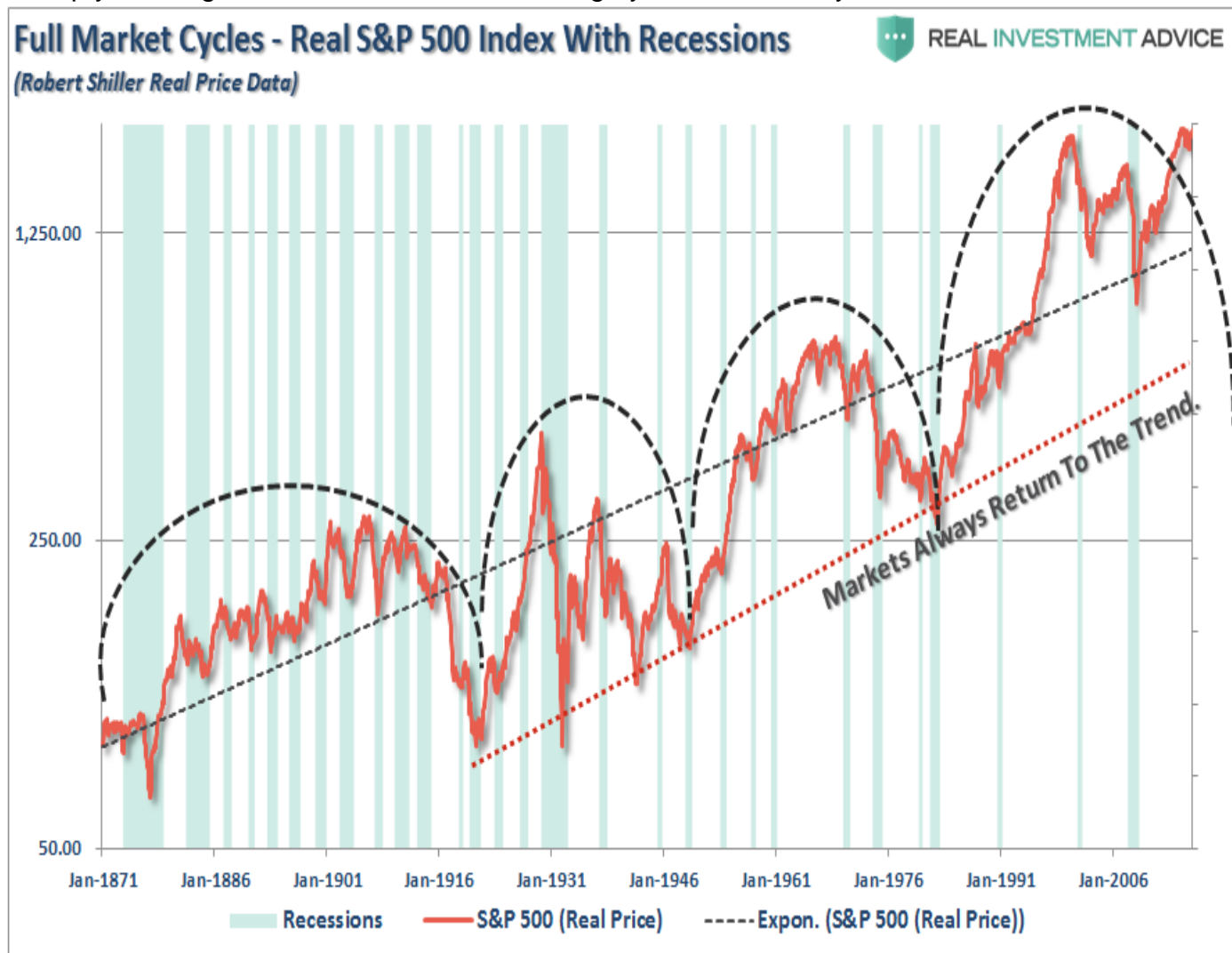
?If you climb a mountain for the first time and die on the descent, is it really a complete first ascent of the mountain? I am rather inclined to think personally that maybe it is quite important, the getting down, and the complete climb of a mountain is reaching the summit and getting safely to the bottom again. ?•Mr. Edmund Hillary,

Hillary, a New Zealand mountaineer, was one of the first climbers to reach the summit at Mount Everest ? 29,028 feet, the highest point on Earth. If you're bold and disciplined enough to take on unfamiliar ground, (unlike more than 200 unfortunate souls who perished, some still missing, others found frozen in a moment that greets adventurers along three rocky plateaus which lead to the dining-room table sized summit of Everest,) the retirement adventure can be one of accomplishment, *self-re-discovery* and spiritual fulfillment. But there's a catch. The first year in retirement, the initial ascent, can change your life. On occasion, not for the better. Like the robust explorers of Everest, retirement preparation is also crucial. However, all the training in the world, even the best of retirement planning, pales in comparison to living the experience. So, what should new retirees know about navigating the genesis of retirement? Or let's call it ?the initial ascent.? Here's a quick guidebook for first time retirement climbers. **Understand where on the mountain your broker is dropping the portfolio you're going to need to survive a retirement exploration.** Did you know that Didier Delsalle, a former French fighter pilot beat incredible odds

and was the first to land a helicopter on Everest's summit, the peak? No kidding. With gale forces that regularly exceed 186 mph and low atmospheric pressure that can choke off oxygen for pilot and engine, Mr. Delsalle had to employ all his years of flying experience along with acute reflexes to find pockets of downdrafts and updrafts to successfully land his aircraft on snow over rock and ice. Frankly, only the most skillful of navigators could accomplish such a feat. And never discount good luck. That day and time found skies crystal clear and winds unusually light. Unfortunately, there have been helicopter crashes and associated fatalities on Everest. In 2003, two people perished and several injured on a descent into Everest's Nepal Base Camp. At 17,598 feet above sea level, Base Camp is merely a frozen tundra pitted by a makeshift tent metropolis. A haphazard patchwork of pitched, thick fabrics provides minimal shelter against harsh conditions. These simple structures comprised of rainbow-colored canvas and aluminum posts, bend, wave and snap, mercilessly to the elements that absorb them and yet hold steadfast like the adventurers they embrace. This respite, one of two camps available on Everest, is also permanent home to a roomy teahouse tent where weary trekkers gather and share warmth that emanates from not only body but piping hot water steeped with fruit-flavored powders or lemon, orange and ginger for nervous stomachs. Some travelers are restless in anticipation of the journey closer to where only Boeing's greatest aircraft engines slice through part troposphere, part stratosphere. Others are not going to make it farther than the dreams that got them this far. A few will die in place, under ledges, quiescent, in tight fetal positions. Most will ponder if they'll return to their once-ordinary lives at ground level because you see, getting to the top is only half the journey and many perish on the descent, per the opening comment by Mr. Hillary.



So, if your broker decides today to land a static retirement asset allocation on the summit or a peak of price/earnings which now stands at a majestic 28.85X earnings based on the Shiller P/E Ratio, then the stock segment of the investable assets you require to survive, holds a greater probability of dying before you do, especially if entering a portfolio withdrawal stage. In other words, the descent from that height could be a killer if you don't consider re-adjusting your portfolio altitude to match the current cycle you're going to be breathing through. The first year in retirement or sooner is the time to brace the portfolio against the elements by decreasing risk, until overvalued conditions or skies, improve. And that may take years. That's why you'll require a financial Sherpa to help you navigate retirement mountain through year one and beyond.



You see, like massive, jagged formations of the Mahalangur Range which includes Mount Everest and its summit that bridges the international border of China and Nepal, stock market cycles are vast and span decades. Chasms of time compress; especially when you take the span of human existence into consideration and position them atop market summits. It's only then does one realize how small and short human lives truly are. As a novice retiree and feeling most exposed to harsh conditions, is when one also begins to comprehend how devastating a wealth avalanche from a peak can be to future financial health. The first year in retirement especially, is best suited for small adventures. Think level plains over big peaks and valleys which is why, if this is the first year in or you're two years closer to the goal, that it's time to review or create a game plan to tackle the Everest of all life events: **Retirement. It's normal to freeze spending but don't let it die.** Even the finest of savers, investors and long-term planners are going to freeze up when it comes to spending during the initial stage of retirement. It's normal. Frankly, I think it's healthy to be overwhelmingly guarded and aware of your daily financial moxygen (money oxygen) intake and outflow. With the assistance of a qualified professional or certified financial planner, one should enter retirement fully aware of spending guidelines and under specific conditions may they be altered. To help retirees keep track or become fully engaged with their cash flow terrain, especially

through the first year, I have newbies establish online fiscal "base camps" with FDIC-insured virtual banking institutions like Ally or Synchrony and then create an electronic "lifeline" connection to their brick and mortar institutions. Fixed-dollar portfolio withdrawals are set for monthly and each quarter excess funds (and there always seems to be excess the first year) above expenses, are electronically swept into base camp bank accounts. At the end of the year, the base camp surplus is totaled and future withdrawals fine-tuned for the ongoing quest. The base camp cash serves as a perfect buffer for unanticipated expenditures in year two. **You'll never be completely ready until you step on to the terrain and begin the journey.** When British explorer and mountaineer extraordinaire George Mallory was asked in the early 1920s why he sought to climb Everest. He



Whether George Mallory had been exposed,

Naturally, you

should undertake formal financial planning to make certain you're ready for retirement but that's only part of the challenge. The sound of your biological retirement clock will grow too loud to ignore. In other words, the "because it's there," that ticks internally will gnaw at you. I've witnessed the willingness to take the first step in as much as a nuance or passing thought. For example, pre-retirees seem to sense when their employers' plans are headed in a different direction than they are. Those I counsel often reference turbulence at work they no longer find appealing or willing to accommodate. They seek to take shelter or remove themselves from the adventure. Stressful projects, new bosses. Changes that were easy to overcome in the past, begin to become intolerable. If you plan accordingly for retirement, you'll be able to control your ascent, maintain focus on an exit. You'll be motivated to tackle the big one. There will be a sense of urgency to depart. For example, a client who retired from a large corporation turned in his resignation one day before the executive suite announced the sale of the finance unit he had worked in for 16 years. That's the uncanny sixth sense I'm talking about. Be open to the message. But you need to listen and pay heed to the emotional fortitude that once compelled a young English adventurer to take on a monumental endeavor.

"Because it is there."

So, if or when asked "How did you know you were ready to retire?" And you readily respond yet

slowly, *?because I knew I was ready.?* **That?s all you?ll require. Simple as that.**•Solid finances may be the finest of equipment for the journey, but without the guts to utilize that equipment, retirement is not a life warmly lived but a prolonged period of freeze and inertia. However, it?s acceptable to be fervently cautious the first year into the retirement voyage to avoid a possibly impetuous reach to accomplish everything on the bucket list. Perhaps George was a bit too ambitious and he suffered a frozen fate for it. The first year of retirement can feel as emotionally challenging to overcome as a great mountain. And to think the peak of Mount Everest was once the bottom of the ancient Tethys Sea. As subcontinental and continental plates collided 30-50 million years ago, the surface rose and became the highest point on Earth. Emotionally, financially, possibly spiritually, you were there too. So many years ago. Down below then, now high above. You?re ready to harvest the zenith of hard work and discipline. Go for it. ***?It is not the mountain we conquer, but ourselves.??***•George Mallory.•