



## Fiscal Therapy: Can I Retire?

*An Interview with Phil Messuri, MS, CFP®, Senior Financial Advisor with Lakeridge Wealth Management*

**HOST: TRAVIS FLANDERMAYER, MBA, AIF®**

Retirement may sound like a simple financial milestone, but deciding when to step away from work often involves far more than a savings balance. On Fiscal Therapy, host Travis Flandermeyer of Lakeridge Wealth Management talks with Phil Messuri, MS, CFP®, Senior Financial Advisor, about the many questions behind “Can I retire?” They discuss income sources, inflation, health care, taxes, investment property and lifestyle expectations, as well as how planning changes as retirement gets closer. Their conversation highlights why retirement decisions are often personal, evolving and best approached by looking at both the numbers and the life someone hopes to build.

**Travis: When someone asks, “Can I retire?” what comes to mind first?**

Phil: My first reaction is that it’s complicated. Part of the answer is about money, but part is also about how someone feels about retirement. Longevity, health care costs, inflation, home equity and lifestyle can all matter. People may assume it is simply a financial calculation, but it often goes well beyond the numbers.

**Travis: What are some of the lifestyle questions people should consider?**

Phil: It starts with understanding what retirement is supposed to look like. Travel can be a good example. Some people may want relatively modest trips or camping, while others may expect to travel extensively. Family circumstances can change as well. People may move to be closer to children, take on new hobbies or even return to work because retirement was not what they expected. Those choices can affect how much income someone may need.

**Travis: How important are guaranteed sources of retirement income?**

Phil: They can be very important. Someone may have Social Security, a pension or another source of income, but not every source increases with inflation. The remainder



may need to come from investment returns or portfolio distributions. You have to consider how dependable those income sources may be over a retirement that could potentially last 25, 30 or even 40 years.

**Travis: How does planning differ for someone 10 years from retirement?**

Phil: At 10 years out, you can look at where someone is financially and where they may be able to get over the next decade. Children may be entering college or other major expenses may eventually decline, potentially creating opportunities to save more. There is still time to make meaningful changes in savings, investments and other areas.

**Travis: What changes when retirement is only two years away?**

Phil: The planning becomes much more specific. You need to determine whether the portfolio and other assets are positioned to begin creating income. Social Security and pension estimates may also be clearer at that point. If retirement happens before age 65, health insurance can become another significant budgeting consideration because Medicare may not yet be available.

**Travis: Where do taxes fit into retirement planning?**

Phil: Taxes can play a significant role. Traditional IRA or 401(k) withdrawals are generally taxed differently from qualified Roth IRA withdrawals or income from taxable investments. Where someone’s money is held can affect their tax burden in retirement. Planning in the years leading up to retirement may also create opportunities to evaluate Roth conversions and other tax strategies.

**Travis: What if someone’s wealth is tied up in real estate or a business?**

Phil: The challenge may be turning that wealth into usable retirement income. Investment property, for example, can represent substantial value without producing enough cash flow. Advisors may need to examine whether assets can be sold or repositioned to create income. Depending on the situation, accountants or attorneys may also need to be part of the conversation.

**Travis: What is the biggest takeaway for someone wondering if they can retire?**

Phil: It’s often not a question that gets answered in one meeting. People may need to consider several options and think through the tradeoffs. The better question becomes not only whether retirement is financially possible, but what they want retirement to look like, where their income will come from and how taxes, health care and lifestyle can work together.

*Travis Flandermeyer with Lakeridge Wealth Management, in Albuquerque, NM. Submit your questions to Travis at [ABQJournal.com/fiscaltherapy](http://ABQJournal.com/fiscaltherapy)*

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