

CONSIDER THIS PROGRAM

EPISODE DATE:

October 19, 2019 Episode

ON THIS SHOW:

Big Joe Clark, CFP®: Managing Partner and Lead Advisor of Financial Enhancement Group

Ken Dilger : Former Tight End at Indianapolis Colts, Senior Loan Officer at Milestone

Angi Kinser: Event Coordinator at Financial Enhancement Group

SHOW NOTES:

Topics include:

- What if you want to wait and prolong retiring?
- Can you retire early? What if you retire too early?
- Falling interest rates
- IRA Loan

The first segment we talked about, “what if you want to wait and prolong retiring?”; whereas the second segment we talked about: “can you retire early? What if you retire too early?”

You can retire too early. Sometimes you're forced into it. You know, sometimes it's by your own design. We gave you some things to think about. Then there's the people who just want to keep going. I will never retire until my mind or my body forces me to, so I can either do this for free, or I can get paid.

In our third segment, we talked about how falling interest rates can impact you in different areas, whether it be installment loans, credit cards, or mortgage loans. One thing we didn't didn't cover was: how does it affect what you can make on your savings?

It's an inverse thing. People who have CDs, especially in the past, are very similar in nature to farmers. They just put the money back in. A CD declares interest quarterly. You know what it's going to be because you have a fixed interest rate. The CD pays the interest rate quarterly and it goes back into the CDs.



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For most of these people, they don't live on the income. So I remember meeting a guy, he and his wife had saved up a little over \$1 million in CDs and interest rates had continued to fall. It was about 2010 and I'm sitting down with him, he finally looked at me and took his hat off. He puts it on his knee and he says, "Okay, Joe, tell me the truth." And I go, "What's that?" Bob says, "I don't understand why I have more income today and interest rates are lower than I had before."

What was happening was he and everybody else had put all of their money back in their CDs for years and years, and he had been using his checkbook. Money was his income stream to pay the taxes on the interest for the CDs, so that all of the CDs continue to roll into more CDs, in bigger CDs. He grew his farm ground, except instead of being a farm, it was a CD. In his mind he hadn't put two and two together. His interest rate was lower, thus his taxes were lower. Thus he had more spendable income in his checkbook. And that is really some of the confusion that we see and it happens all the time.

One of the things that we focus on here at the Financial Enhancement Group is trying to help people better understand their money. At the end of the day, we reduce financial regret. That's our job. If you want to do it on your own, that's your business. If you're looking for a fiduciary, that's our business. Give us a call at (800) 928-4001. We'll get you set up with one of our advisors and we can sit down and have an intelligent conversation. We promise to do three things: 1) tell you things you should consider today, 2) things you may want to consider in the future and 3) what we'll do for you in a written form.

Disclaimer: Joseph Clark is a Certified Financial Planner™ and the Managing Partner of Financial Enhancement Group, LLC an SEC Registered Investment Advisor. He is the host of "Consider This" found on WIBC Saturday mornings from 6-7a.m. as well as three other Indiana-based radio stations. Joe has served as an Adjunct Assistant Professor at Purdue University where he taught the capstone course for a degree in Financial Counseling and Planning.

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