



## Corporate executive exploring retirement

### Situation

A 56-year-old executive with a 25-year career at a Fortune 500 company was planning to retire in the next 18-24 months.

Over the years, he had accumulated \$3.25 million in investments, which consisted of

- \$1.0 million in a taxable brokerage account,
- \$1.5 million in his company's retirement plan, and
- \$750,000 in his employer stock options plan.

As he and his wife began to envision their life in retirement, he realized he had many unanswered financial questions:

- Do I currently have enough money to retire? If not, when can I retire?
- Can I replace my current income with my assets? If so, how long will my assets last?
- How do I maximize my retirement income on an after-tax basis from my investments?
- How do I manage the assets in the existing company retirement plan and judiciously exercise my stock options?

His neighbor, a recently retired executive from the same company, introduced him and his wife to Wealth Dimensions. The neighbor was an existing client of the firm and had similar questions several years ago, which led him to retain Wealth Dimensions as his wealth manager.

### Approach

Wealth Dimensions kicked off their relationship with the executive and his spouse by engaging in a multifaceted discovery process. Specifically, we worked with the couple to help them better articulate the type of retirement experience they wanted to have, the standard of living they hoped to enjoy over the course of their retirement years, and the longer-term financial commitment they wanted to make to their two children, who were recent college graduates.

During this time, we also conducted a thorough quantitative discovery to gain a better understanding of the couple's financial position and core spending habits.

As a final step before recommending a retirement timeline and income plan, we asked the executive to begin "practicing retirement" by doing things such as spending more than one season in his desired retirement destination, making friends with others who were already retired, and investing more time in hobbies.

These discovery conversations, led by Wealth Dimensions, occurred in many meetings over a period of several months. During this time, Wealth Dimensions wanted the couple to

- Carefully think through whether they truly wanted to let go of their business,
- Agree on what their priorities would be going forward, and
- Practice being in retirement. This meant each partner took a month off from working to experience life without the business, the employees, and their customers, and to see how they felt not using their current talents and explore how they would fill their newfound free time.

## Outcome

Based on the discovery outcomes and the practice retirement exercise, Wealth Dimensions created a comprehensive financial plan for the couple that included a timeline for the executive's retirement and a supporting retirement income plan. The income plan earmarked the amount of money the couple agreed upon for their annual budget and identified the most tax-efficient sources to generate that income.

Wealth Dimensions also helped the couple in a variety of other ways:

- Created a diversified portfolio for the eventual rollover of the \$1.5 million in the executive's retirement plan to an IRA.
- Developed a plan to exercise the stock options.
- Coordinated the update of the couple's estate plan so that it reflected their wishes and aligned with their financial plan.
- Set the couple up on an online financial dashboard to give them a comprehensive picture of their financial situation and track their budget.

The analysis and guidance provided the executive and his wife with the information they needed to proceed with the retirement decision in his desired 18- to 24-month time frame.

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