

SUMMIT PERSPECTIVE

RETIREMENT...IT'S ABOUT MORE THAN MONEY

John and Melanie were excited! After a 40-year career, John retired from his post as a senior engineer at a multinational corporation. The retirement countdown clock on John's desk had been ticking down for almost a year, and both he and Melanie were enthusiastic about their upcoming move to Arizona where they shared dreams of golf, travel, visits from the kids, and lower state income taxes! There was a big party to celebrate and their closest friends jealously wished them the best. Their financial advisor even gave John a faux gold watch for a laugh, before happily confirming that they could afford to retire!

John and Melanie had been traveling to Arizona with friends for a "spring training" trip for the past 20 years. They loved the warm weather, the retiree lifestyle, and they were enamored with the lower cost of housing. They cashed in the equity from their Bay Area home and purchased a one-story ranch style house that was 30% larger for half the price! They laughed at the largest house they had ever owned being their retirement home. They had plenty of room for grandkids, friends, and family to visit.

Fast forward a year... The kids and grandkids have been too busy to visit, summer is ever-present and the temperature stays above 100 degrees for months on end, and they haven't connected with very many friends. John tried to take up golf, but realized it wasn't something he could enjoy more than a few times a month, so he spends most days at home. Melanie notices they are bickering more often as John disrupts her routine of running the house. Being around each other all day every day is proving a new challenge. All



of the sudden, John and Melanie start to question their move, and their retirement in general.

If the foregoing sounds like a nightmare, fear not, it doesn't have to be this way. Having had a front row seat to the retirement of many clients over the years, we've had the opportunity to see some grand successes, along with a few potholes people wish they could have sidestepped. So much attention is paid to the finances in retirement (and rightly so), that the emotional and mental side of the retirement plan is neglected. With that in mind, here are a few things to think about before you turn in your security badge and make your Mondays feel like Saturdays:

Personal: Are you mentally ready for this? Retirement can be a mind-bender. You've just spent 40 years working, launching kids, and making a difference in the lives of your family, co-workers, and companies. So much of who we are, and how we define ourselves is tied to our career. This is doubly true for business owners who were used to calling the shots and being relied upon for answers. It takes a little effort to redefine your purpose and find joy without the respect and recognition that you earned in the workplace. We have found that our happiest retired



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“

Begin each day with a little courage, a little curiosity, and a little spring in your step.

– **Doe Zantamata**

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INTERESTING TIMES

As the first quarter of 2017 ends, it can be said that we live in interesting times. Our last newsletter chronicled the inauguration of a new President, and pondered what the first 100 days of the new Administration would bring. It turns out, it brought even more headlines and noise than we already thought. From controversial executive orders, to CEOs parading through the White House as they try to avoid being the subject of the next Presidential Tweet, the media has had plenty to keep them busy.

Meanwhile, the markets have taken this in stride and continued to melt up on the prospects of less taxation, less regulation, and the normalization of interest rates. The most common question from clients in the last few months has been “What happens now?” While we are quick to point out that our crystal ball is cloudy at best, a few themes are likely to dominate the headlines over the remainder of the year:

Government Action – there’s no doubt that Congress is going to take center stage this year. With healthcare reform dying in Congress recently, expect all eyes to turn towards tax reform. This is a large and complicated issue, and the process is likely to take months. We’ll be sure to keep you informed to the extent the new rules impact your finances.

Interest Rates – The Fed has finally begun to move, raising short term interest rates in March and signaling that they will do so again before the year is through. This is likely overdue, and we applaud a slow approach to raising rates. Expect some media noise around each increase however.

Inflation – The big “I” is showing up in some of the data. Although it doesn’t seem out of control, we actually think we might hear more rhetoric about inflation for the first time in a long time.

Valuation – the markets have come a long way (the S&P 500 is about 25% above its bottom during the “worst start in stock market history” in early 2016). Price/Earnings ratios are higher than they have been in recent years, and the debate about the market being overvalued will continue.

Our view for the long run is unchanged – that the stocks of the great companies in the U.S. and the world are still a great investment, and we worry about the merits of fixed income securities which will struggle in a rising interest rate environment. However, the possibility of volatility always exists, and there will be moments where downdrafts occur. Congress is notoriously clunky and delayed in their ability to implement change. Currently the market is priced for most initiatives to pass quickly through both the House and Senate. While we would never try to time these events, it is likely that the market could be disappointed by the slow progress at times. These pockets of uncertainty should remain meaningless to the long term investor. However, we would like to make sure that clients have a strategy for money they need in the shorter term. Please touch base with your advisors if your situation merits accessing your portfolio on a near term basis.

KUDOS!

Teresa Hookey

Our Controller, Teresa Hookey, is the latest recipient of the Summit “Kudos” award. She has selected **The Eden Autism Foundation** as the recipient of her \$1,000 award.



“I was the recent Kudos winner and have selected Eden Autism Foundation in the honor of my nephew, Evan Hookey. Evan has received services through Eden Institute since his Autism Spectrum Disorder diagnosis at the age of three. His parents are so appreciative of the full year individualized educational curriculum that Evan was fortunate to receive through the age of 21. Now at 25, he continues to receive employment training and services from Eden to help him towards a meaningful, productive life. Thanks for the continued support and guidance that you have provided Evan’s family.”

- Teresa Hookey

EXCUSE THE DUST

If you plan on visiting the Summit office soon, please excuse the dust! Our building is undergoing remodeling, and there is construction scheduled for the lobby, hallways and bathrooms. We apologize for any inconvenience!



STAFF SPOTLIGHT

Cristina Holloway

Meet Cristina Holloway!

Cristina joined our new business team in January and has hit the ground running! Cristina brings over 20 years of experience in the field of financial services!



Cristina is Bay Area born and raised. This year will be a milestone as her and her husband will both celebrate their 30th wedding anniversary and their 50th birthdays! She comes from a traditional Italian family, and believes in the importance of Sunday dinners and good wine. When not in the office, she enjoys spending time with her three sons (ages 27, 24 and 21) or hitting the East Bay trails with her Nova Scotian Duck Tolling Retriever, Amber. Cristina is also passionate about the 49ers, Giants, and a number of local children's charities.

Welcome to the team Cristina!



GOLF TOURNAMENT SAVE THE DATE

We will be returning to Ruby Hill Golf Club for the 15th Annual Summit Financial Group Charity Golf Tournament! The event will be held on Monday, September 18th and proceeds will benefit the Summit Financial Foundation. Save the date and look for registration details in our Summer newsletter!

5TH ANNUAL SUMMIT SYMPOSIUM

Thank you to the over 300 of you who joined us for the fifth annual Summit Symposium on March 4th at the Palm Event Center. We thank you and hope you enjoyed the day.

For those of you who couldn't attend, you missed a story of courage and inspiration presented by Olympic Gold Medalist Rowdy Gaines. The opportunity to touch and wear an Olympic Gold Medal was the highlight of the day for many. Special thanks to Summit client and friend June Quick, for sharing her personal connection to Rowdy.

Dr. Peter Brookes proved to be one of the most interesting men in the room, and gave a high level overview of the current state of our National Security. During his presentation titled "A World of Uncertainty" he touched on global challenges including Russia, China, North Korea and Iran, and cyber security.



And we concluded the day with proof that laughter really is the best medicine with Dr. Brad Nieder. We were encouraged to get in touch with our inner children, as he taught us that as we age and the stresses of life catch up to us, the frequency with which we laugh tends to decrease. And if you need a laugh right now, picture members of the Summit team taking part in the "healthy hokey pokey" on stage.

Want to see the healthy hokey pokey for yourself? Please visit our website (www.summitadvisors.com) or our Facebook page for a complete photo gallery of the day.

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clients have figured out who they are absent their career. They keep plenty busy with a concoction of family time, travel, hobbies, charities, and even a little work (as long as it is fun and meaningful).

Are you going to drive your spouse bananas if you are spending all your time together? Even though you are madly in love, the shift from nights and weekends while working a full-time job to being around each other 24/7 takes some getting used to. Talk about what works for both of you, and be sure to carve out some "me" time.

Travel: By far, the most anticipated and discussed activity in retirement is travel. Almost all of our clients wish to do more of it when a job is no longer tying them down. However, how you travel and how much you travel is something to consider. Will it be Four Seasons hotels in international locales, or the motorhome touring the US National Parks? Make sure that both spouses spend some time talking about what would make you happy. If he's dreaming of golf trips with his buddies, and she has her heart set on Paris together, disappointment can ensue. We've had more than one client struggle with differing desires around travel.

Relocating: A word of caution... The Bay Area is a pretty amazing place, and although it is tempting to cash in that home equity and move away – you want to be absolutely sure that where you are going holds as much allure as what you are leaving. We think the best practice is to wait a while after retirement, and explore before pulling up stakes. Keep in mind that when you vacation somewhere, it seems terrific because you are enjoying it from a tourist perspective. If considering a move, visit several times, in different seasons, and different neighborhoods. Rent a home instead of a hotel, and stay a while (a month or more) before deciding to move. When you do move, consider renting a house or condo for a year before purchasing your forever home. There are always nuances in neighborhoods that you pick up from being in the community awhile. Get to know the culture, explore the recreation in the area, research the shopping and the medical centers, and learn as best you can what living there would look like, versus vacationing.

The House: Everyone has their own perception of a dream home in retirement. Some things to consider as you decide; one story versus two makes sense if you perceive this to be your final home, and want to be able to make full use of the space as you age. Size of home choice should depend on how much you plan to be there, and how capable or desirous you are of the care and maintenance. We've had more than one client go a little overboard on the retirement home, and feel that the care, cost, and maintenance cut into their travel and entertainment plans. Others have downsized too sharply, and wished for a bigger garden or a little more elbow room. If you can afford to retire, you can almost always afford to stay in your current home for at least a little longer. Put some homework into your dream space before you make the leap.

Relationships: Have you developed friendships outside of work, whether or not you are moving? Is your new home, if relocating, in a community of many people new to the area, or are you the outsider? Spending time with friends and family becomes some of the most rewarding experiences in retirement. Often, the geographic location of family members and friends in your social circle play a large role in where you actually retire.

Make no mistake – plenty of clients ABSOLUTELY LOVE their retirement! They worked for many years on both a solid financial plan and a solid life plan. They are living their dream, enriched by meaningful relationships, experiencing wonderful adventures, and thoroughly enjoying life. It is our hope that all of our clients share that destiny. Perhaps some of what we have shared here will help you avoid some common pitfalls and better prepare you for the fun that lies ahead. Planning creates success! It goes without saying that you need to do a thorough analysis of the financial side of your plan – and we spend plenty of time talking with clients about that aspect. But in your planning and dreaming never forget, the financial plan is merely the fuel for your retirement fire. Retirement is really about the next phase in a life well lived. So start dreaming... your next phase awaits!

CONTACT US



SUMMIT
FINANCIAL GROUP, LLC

2000 Crow Canyon Place, Suite 450
San Ramon, CA 94583

Office: 925.866.7800

info@summitadvisors.com ■ summitadvisors.com