

Scott Brooks Video Transcripts

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SCOTT: Retirement to me means that you have enough money coming in from sources that the two of you control, that you therefore have the option to not have to work, okay. So, you have the option to not have to work, okay? Now, that doesn't mean you won't still work. Maybe you want to work at Home Depot or something part-time because you like Home Depot; whatever. I mean, just whatever you want to do. But you have the option to not have to work. Now, in retirement there's two types of income that you need, all right, to accomplish your goals, all right? Remember, retirement is about accomplishing your goals. The first type of income you need retirement is money to live. This is money you need to live here in the greater St. Louis area, okay? This is money you need to buy gas, put groceries on the table, pay your taxes and insurance, go out the eat dinner, go to the movies, get together and play dominoes with your friends; the things you normally do to live here in St. Louis, okay? Maybe take a weekend trip to Branson, whatever those things are you do. Just, that's money you need every month coming in. That's like a monthly paycheck. Then, over here you need money to have a life. This is why you retire, right? This is the fun things you want

to do. You want to travel. You want to take trips. You want to get on your Harleys and do the Route 66 road trip. I could totally see you on a Harley, Patty.

PATTY: Just on a side car.

SCOTT: A side car? Right, okay. All right; I'm kidding, right, but it's the fun things that you want to do, right? It's the fun things you want to do. Let's focus on money to live. How much money do the two of you need coming in every month so that you can be able to live comfortably? We'll get to the fun stuff in a moment. How much money to you need to live comfortably here in St. Louis?

ROY: \$4,500-5,000.

SCOTT: \$4,500 to \$5,000?

PATTY: Yeah, maybe a little bit more. You know, maybe I want to splurge on buying some extra food or something. I don't know.

SCOTT: Extra food? You're doing healthy stuff now you said?

PATTY: Well, you know, we entertain. We like to entertain.

SCOTT: I get you. So, is the number, you said \$4,500 to \$5,000, but maybe more?

ROY: Yeah. I would think we're in the closer range of \$5,00 to \$5,200.

Somewhere in that ballpark.

SCOTT: Why don't we just say \$5,200? How about that? Let's go with the higher number, okay? Because, if we can make it work with the higher number, we can certainly make it work with the lower number, okay?

ROY: That all depends on if we go to Costco once a month.

SCOTT: Okay. All right, so, \$5,200. Now, that's \$5,200 dollars after taxes?

ROY: Yeah.

SCOTT: That's that's what you need net in your pocket after taxes is \$5,200?

ROY: Yeah.

SCOTT: Okay, very good. So, \$5,200 dollars after taxes. Okay. Let's talk about the fun stuff, money to live. How much money would two of you like to have to be able to go out and do the things you . . . I'm sorry; I said money to live. I apologize; I mean money to have a life. This is the stuff you retire for, to do the fun things. How much would you guys like to know is available to you every year? I'm not saying you have to spend it, but it's available that you know you can spend

this money and never have to worry about it. You can go do the things you want to do and have fun. How much would you like to have to have a live?

PATTY: Well, we take our trips that we want to do, and food, and all that. I would say about \$15,000 a year, maybe more.

ROY: Probably at the offset. As time goes on we're not going to be able to travel as much as we want to, but, you know, \$10-15,000 probably is a good figure to look at.

SCOTT: Why don't we go with 15 to start with? Well, you said 15, at least. Is it okay to go with that?

PATTY: I think 15 would do it, yeah.

SCOTT: Okay, \$15,000. All right. Now, you made the comment about "at the offset," because when you get older, you know, you can't do as much. What I find interesting is that as people get older, you know, the cost of things go up, their expenses go up, but then there's stage where you slow down and your expenses go down. Unfortunately, after that slow, there's sometimes a brief slow-down and sometimes there isn't. It starts to ramp up again because, you know, medical expenses. But, we'll get to that later. So, 5,200 bucks a month to be able live comfortably, and the trip to \$15,000 per year to have a life and do fun things.

So, \$5,200 a month after taxes works out to be about \$62,400 plus \$15,000 on top of that. That's about \$77,400, roughly \$77-78,000, in that range, after taxes to be able to do the things you want to do and enjoy retirement. Is that reasonable?

ROY & PATTY: Yeah.

SCOTT: I think that's good.