Scott Brooks Video Transcripts

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SCOTT: All right, next question. On a scale of one to ten, with ten being perfect and one being imperfect, how would rate where you are today financially? How would you would rate your current financial situation to accomplish your goal of retiring at 62 and a half? Patty, I'm going to start with you. On a scale of one to ten, how would you rate where you're at today to achieve that goal?

ROY: I think I can answer it for you . .

SCOTT: Hold on; if I don't mind, let Patty . . I want -- it helps me if I get separate answers here, okay?

PATTY: I would say about a five.

SCOTT: Five?

PATTY: Yeah.

SCOTT: Okay. That's okay.

PATTY: We have a ways to go.

SCOTT: Okay. Roy, how bout you? How would you answer that?

ROY: Right now, I think our number would be lower because we don't know how we're going retire. Does that make sense? I mean, you know . .

SCOTT: So, where would you grade it?

ROY: Three.

SCOTT: Three? You've got a pretty good nest egg at $1.5 million.

ROY: I know.

SCOTT: But it's just . .

ROY: We don't want to just spend money. We want to be able to know our investments are growing, we know we have long-term care, we know, you know, we can do the things we want to do, but still have the money there for our grandkids, children, whatever it takes.

SCOTT: Okay. That's reasonable. So, concerned about long-term care and having money for grand kids. I don't want put words in your mouth, okay, but, I mean, it sounds like the other concern is that -- we touched on this in the class. Remember, we learned in the class that the number one concern of seniors is running out of money? I mean, I don't want to put words in your mouth, but is that a pretty good summary?

ROY: Well, yeah. That's why I'm at a three right now, because we don't have a plan.

SCOTT: Yeah, I got you. Okay. Very good. Now, you both have pensions where you work, okay? No, I'm sorry; you don't have a pension. You have a pension, Patty, right? I'm sorry. On a scale of one to ten, again, ten perfect, one imperfect, how would you rate your pension from work? Remember, we talked about in the class about how many pensions are underfunded and people are concerned about whether they're going to be for for them? On a scale of one to ten, how would you rate it? Or, do you even know how that pension is funded?

PATTY: The pension that I have . . I work for a nonprofit organization, so there was not much of a pension. And, so, I mean, just having a pension, I would rate it as a two, because it's a very, very low pension.

SCOTT: It's very low? Okay. Very good. All right, thank you. Roy, how would you rate her pension?

ROY: She's probably right at a two. We did take an option of rather than taking her full pension, we took a little less so that if she died before I did, I would still continue to receive that amount.

SCOTT: Okay, very good. Yeah, as I look over here on the pension here, Patty, it looks like you're getting, is it $1,200 dollars a month here? So, if you die, Roy, you still get that 1,200 bucks a month if Patty dies?

PATTY: It's a little bit more.

ROY: No, it's less than the $1,200.

SCOTT: So, if she dies, you get what; half of that, or . . ?

ROY: I think, something like that.

PATTY: Yeah.

SCOTT: So, 50%. So, 600 bucks if Patty dies? Fifty percent. Okay, very good. All right. Now, these next two questions, what I'm going to do is I'm going to ask you a question, all right? Then I'm going to give you two choices. Just for these next two questions, you've got to pick only between these two choices. You can view it as picking the best of the two choices, or picking the least worst of two choices, but you've got to pick between these two choices, okay? So, in retirement, you're going have so much income. You're going have income coming in from Social Security, you're going to have income coming in from pensions. This is how much you'll have come in, but that's not going to be enough. You need more income on top of that, okay? All right? Remember, we talked in the class and you learned in the class that the four cornerstones of retirement financial planning are income, income, income, and income, all right? So, we're going to focus just on this extra income over here, okay, not Social Security and pension. When you think about this extra income over here, all right, that you need to accomplish all of your goals, all right, are you more inclined to want that income to be more guaranteed type income, or it could be more variable, less guaranteed? Roy, I'll start over here. Would you want more guaranteed type income, or more variable type income?

ROY: Well, I kind of need more guaranteed.

SCOTT: Guaranteed? patty?

PATTY: Guaranteed.

SCOTT: Okay, very good. Now, let's talk about investments. At this stage of your life, when you think about investing your money, are you more inclined to want to invest your money in something that's more of a sure thing type of an investment, or something that's more of a "maybe" type of investment? Patty, I'll start with you.

PATTY: Sure thing.

SCOTT: Sure thing? Roy?

ROY: Yeah, right now that's the way we'd have to look at it, too.

SCOTT: Sure thing? Okay. Very good; all right. All right. Now, what I'm going do is I'm going to open it up a little bit give you some more choices here, okay? There's many different places you can put money, okay? The first place you could put money is what I call the cash account. That's your money the bank. Remember, you talked about you wanted $60,000 cash in the bank? Okay. I'm a big believer in cash. Assume that whatever you want to have in cash is in cash, all right? You've got that over there in cash; that's done. You have that peace of mind that you want. Now, I'm looking at the rest of your money, now. How would we allocate the rest of your money? So, let me give you some options on where the rest of your money could be invested, okay?