



## BACK TO THE PRESENT

*"The future depends on what you do today."*

- Mahatma Gandhi

*The very best person to make sure that the older person you will one day be is looked after, is the younger person you are today.*

Modern retirement implications requires the acceptance of three key facts:

- **Fact 1:** We are living longer than ever.
- **Fact 2:** Costs of things you want to buy and need to buy in retirement will rise.
- **Fact 3:** In average-length retirements, at average rates that costs rise, your costs will triple.

When you accept that if you experience average inflation over an average lifespan, the only outcome is a tripling of costs and the only way to avoid running out of money is to triple your income. This is not a *possibility*, it is a mathematical certainty and is going on around you right now. This is for real. This is not an "I'll deal with this in the future if it becomes an issue," issue, it has been happening for at least one generation now. If you wait for it to become a problem, it'll be too late.

Of course on an intellectual level many claim to "get it" - but the only way to demonstrate acceptance for the implication of modern retirement is to actively work out a solution to address the implications of tripling costs, which of course would be to create a plan to triple your income in your retirement.

*There is no time like the present.*

I have always enjoyed stories about the incredible

possibilities of time travel. One of my favourite time travel stories is told in the film *Back to the Future*. The central character is Marty McFly, a typical teenager played by Michael J. Fox. Marty is friendly, with an eccentric but talented inventor named Doc Brown, who is played by Christopher Lloyd. The brilliant Doc creates a time machine out of a DeLorean car, and accidentally transports Marty back to the year 1955. There, Marty stumbles upon his much younger parents and accidentally disrupts their meeting which of course upsets the chain of events that lead to his own birth. Marty must find a way to get his parents to meet and fall in love - or else he won't exist when he gets "back to the future"!

Similar to Marty McFly, where you are: right here, right now, puts you in a unique and crucial position to affect your future like no one else can. Why? Because the very best person to make sure that the older person you will one day be is looked after, is the younger person you are today. No one else can actually get you started on the path to ensure the future success of that 90 year-old. You are all you got. It is you, here, today.

Some of the most successful retirees I know are the ones who have trained themselves to think in terms of decades of future needs. Don't get me wrong, after a lifetime of work, it's great to take trips, help the kids, or get a new car. But before you get what you want, make sure you have what you need. It is tempting to ignore your needs down the road. But when tomorrow comes, your needs will be there. Retirement is not an event, a finish line that is crossed - it is the beginning of an entirely new, life-long, rewarding but risky financial journey.



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Your FUTURE depends on what you do in the PRESENT:

Still unsure it is worth it to think about tomorrow's needs? Do a little experiment for yourself. You likely have a friend or neighbour who is over the age of 80 and with whom you share a mutual trust. Ask them to participate in a little experiment. You want to give your friend a choice between two options:

- **Choice #1:** Leave this earth by sundown. No details, just a knowledge that you will no longer be in existence as we know it after this day is done.
- **Choice #2:** Stay living - but with the condition that for all of your tomorrows you will need to go and ask your children and/or other family members for the money that you need to live.

If you take the time to perform this little experiment, I think that you will discover something that every 80+ year old knows and yet most 50-70 year olds don't know: That there are worse things than dying. This is why the best person to intervene in the future of the 90 year-old you will one day be is you, today.

Of course, nobody has a time machine to right past wrongs or a crystal ball to know future outcomes, but getting a glimpse of what may be coming is easier than you might think. People all around you are doing it - some more successful than others. Next month, I am going to introduce you to the experience of a few who have successfully overcome the challenges and how they did it - allowing you to see what solutions have worked and which ones have not.

#### About Luke Kratz:

Luke has a process that he has refined over the past 27 years to help people maintain their lifestyle and independence in retirement - allowing them to enjoy the peace of mind that comes with increased confidence.

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