

Social Security-Here Today Gone Tomorrow

Have you been reading the first page of your Social Security statements? If you have not it states that due to the fact that outflows are greater than inflows social security is expected to be exhausted by 2037. In some cases many experts have projected it to be even sooner than that. Many people today are paying for a benefit that won't be around later when needed.

The baby boomer generation is becoming increasingly concerned about their retirement. In fact it is estimated that 85% of retirees will need to retire to a new job career as of 2006 (Source: ACM). Between the ages of 65 and 94, it is also estimated that a couple will spend \$480,000 in medical costs (Source: ACM). One in Five people will retire with a pension (Source: ACM), so what are the other 4 out of 5 people going to do?

Here are some strategies that you can use to help in potentially increasing your net worth:

1. Utilize what the IRS has to offer. Many times we don't see tax strategies implemented and missed on clients tax returns. Tax savings equal newfound money to you. One example may be where you can have cash now interest free by utilizing a cost segregation study. This study is conducted by a separate independent group who can determine the depreciation of various items within a home or business; this is done for taxation purposes in order to potentially lower the income tax burden.
2. Have your assets grow tax advantaged as much as possible. For some people, as much as 40% of income is eroded by taxes. There are many tax-advantaged ways to invest, consult your tax and financial professional to ensure you are being tax savvy with your investments.
3. Invest in assets that have the potential to outpace inflation, such as real estate. Investing in real estate also has some great additional tax advantages that can reduce your taxes, which increases the money in your pocket. Of course, like all investments, investments in real estate carry a variety of risks.

Make sure you understand the risks and potential rewards of any investments before putting in your money.

4. Reorganize your assets and debt to optimize their potential. If your assets are under performing it is possible that with a few tweaks your assets could be performing to your benefit.

There are many more strategies available and every situation is unique, so a customized action plan is a must! We recommend that you review where you are currently and where you want to potentially be so that you can position yourself to be financially free without the worries of Social Security being there or not.

If you would like to discuss how you may be able to save money and plan for a better retirement, please contact Conaway & Conaway at www.info.conawayandconaway.com or call toll free (888) 266-2929.

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