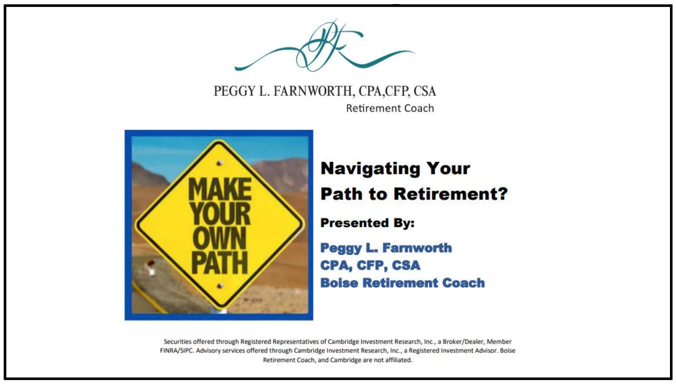
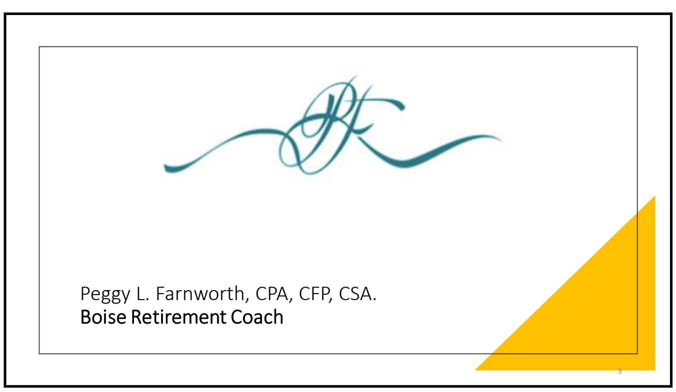

PEGGY L. FARNWORTH, CPA,CFP, CSA
Retirement Coach
MAKE YOUR OWN PATH
Navigating Your Path to Retirement?
Presented By:
Peggy L. Farnworth
CPA, CFP, CSA
Boise Retirement Coach
Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Advisory services offered through Cambridge Investment Research, Inc., a Registered Investment Advisor. Boise Retirement Coach, and Cambridge are not affiliated.

1


Stepping Into Retirement
Getting where you want to go – from wherever you are
Image of Camel's Back by Cody Rayl

2


Peggy L. Farnworth, CPA, CFP, CSA.
Boise Retirement Coach

3

First: It’s About You

4

What is your Age Range?

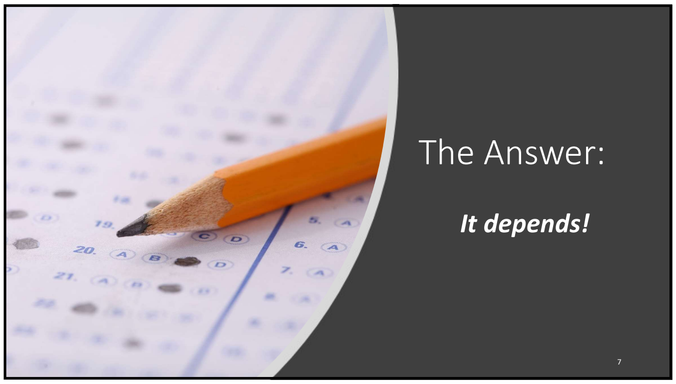
A. Less than 50
B. 50-60
C. 60-65
D. 65-70
E. 70 plus

5

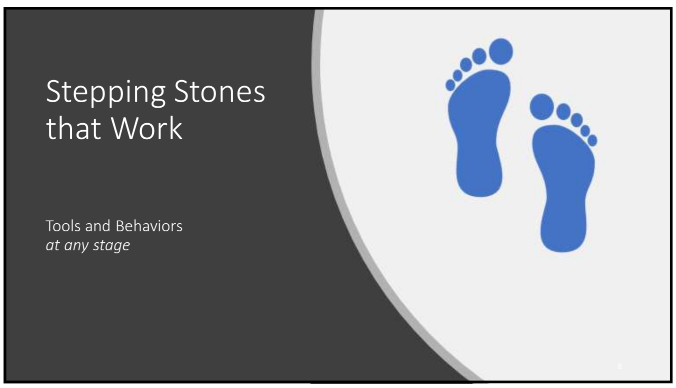
The Question:

How much do I need?

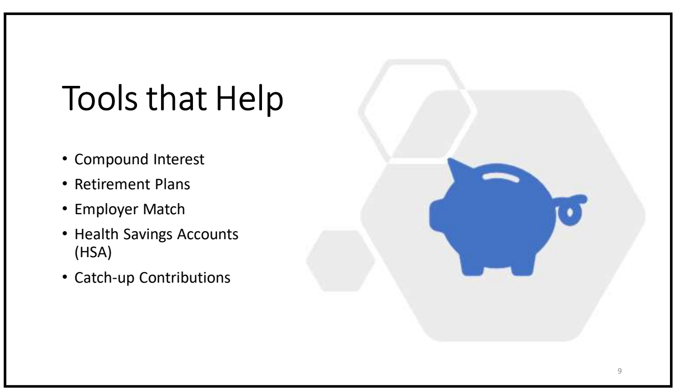
6


The Answer:
It depends!

7

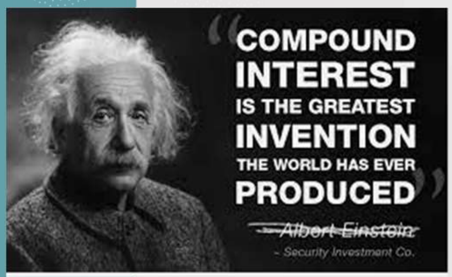

Stepping Stones that Work
Tools and Behaviors
at any stage

8


Tools that Help
• Compound Interest
• Retirement Plans
• Employer Match
• Health Savings Accounts (HSA)
• Catch-up Contributions

9

Compound Interest



10

10

Compound Interest Examples

Meghan

- Saved $100 a month for her first 10 years at 7%
- Then held for 10 years at 7%

____

Paid in: **$12,000**

End of 20 years: **$35,536**

Jennifer

- Spent instead of saved her first ten years.
- Then saved $200/month for the next 10 years

____

Paid in: **$24,000**

End of 20 years: **$35,020**

11

11

Retirement Plans

- 401(k)
- 403(B)
- SIMPLE
- SEP

- Minimum contribution—secure company match
- Consider maximizing your contribution
- Catch-up provision for 50 years and over:
  - $6,000 for 401(k) and 403(B)*
  - $1,000 for IRA and Roth*

** Guidelines for 2021*

12

12

Traditional IRA vs Roth IRA

	Traditional IRA	Roth IRA
Contributions are tax deductible	Yes	No
Earnings are taxable	No	No
Disbursements are taxable	Yes	No

13

13

Health Savings Accounts (HSAs)

- Employer or Individual plan
- Requires high-deductible health insurance plan (HDHP)
- Allows tax-deductible contributions:
  - $3,600 Individual*
  - $7,200 family*
  - $1,000 catch-up contribution for 55 and older
- Portable

** Guidelines for 2021*

14

14

Helpful Behaviors

- Start now – no matter your age
- Delay gratification
- Create manageable goals
- Stay or get healthy
- Be financially literate
- Plan for emergencies

15

Social Security as a tool and behavior

Tool:

- Established in 1935 to address economic security for the elderly through worker contributions
- Benefits based on highest 35 years of income

Behavior:

Workers can choose to receive benefits:

1. Early (age 62) – *reduced benefit*
2. At full retirement age (66-67)
3. Delayed (age 70) – *enhanced benefit*

16

16

Steps to Avoid!

Don’t get tripped up.

17

17

AVOID

Debt

- Save and pay cash—even for big-ticket items
- Aim to be mortgage-free by retirement

Loans to family or friends

- Don't loan what you cannot afford to give away
- Don't co-sign a loan you cannot afford to pay
- Get any loan with family or friend in writing
- If you choose to ‘help’ your child, tie it to financial education

18

18

Think
Outside the Wallet

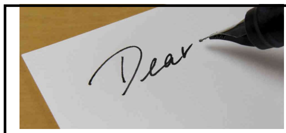
19

There's more to retirement than money

- Your legacy
- What inheritance you want to leave
- Your sense of service or volunteerism
- How you spend time having fun!
- Your goals – write a book? Climb a mountain? Move next to grandchildren?

20

21



HOW DO I SPEND MY TIME?

WHAT IS MY PURPOSE?

HOW DO I HAVE FUN?

WHAT ARE MY PRIORITIES?

HOW DO I TAKE CARE OF MY HEALTH?

22

Retirement Your Way

23

PEGGY L. FARNWORTH, CPA,CFP, CSA

Retirement Coach

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Advisory services offered through Cambridge Investment Research, Inc., a Registered Investment Advisor. Boise Retirement Coach, and Cambridge are not affiliated.

24

Questions?

Peggy L. Farnworth
CPA, CFP, CSA.
www.BoiseRetirementCoach.com
208.343.7777

Thank you!

25

25