

Asset protection or asset speculation, which should you choose?

Written by 'Layin' it on the line' By Lawrence Castillo Guest Columnist
Friday, 09 September 2022 02:34



A broad definition of “safe money” is money you can’t afford to lose. Safe Money tells us one thing is true when it comes to those approaching or in retirement. In the old fable, a bird in the hand is worth two in the bush.

As Baby Boomers grapple with the forces of time, one thing rings more accurate than ever in today’s volatile markets. The need to formulate a plan centered around **Asset Preservation vs. Asset Speculation**.

Early in our working careers, the name of the game is finding a good income and working hard to save every extra dollar we can salt away for retirement. Accumulation potential and risks are hallmarks of growing money. The difference is the time we have to ride out all the ups and downs of the market.

But a funny thing happens, somewhere around our 50s, the realization starts to set in. What will I do to make my retirement money last and be safe throughout retirement?

The crashes of the early 2000s and 2008 had a devastating impact on investors who were at retirement age. What’s the big deal? The markets have come back, and then some.

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For those retirees or those on the eve of retirement, those losses cost them dearly in time and income. Just remember that when you consider that last week, the Dow Jones Industrial Average had a 1,000-point drop in one day.

What would they say if you were to ask someone today about the next impending stock crash? Well, one thing is sure, we are all 14 years older than we were in 2008. This means that for those who are in their 50's or up, the next correction could set them back in terms of a retirement date or the ability to take income when their net worth is being eroded by stock loss.

Imagine the angst, the fear, the worry of not being able to take the needed Money from your **IRA or 401(k)** or retirement savings in years when the market declines. By paying fees and losing money with downside loss/risk, taking an income in those down years can compound the losses and jeopardize a retiree's standard of living.

Those scary scenarios can be avoided altogether with proper planning and vision.

Ask yourself this question, *"Are my investments only concerned about gains?"* If the answer is yes, then there is never a better time to sit down and visit with someone who focuses on making your money grow and last while making sure you will never run out of income no matter how long you live.

Asset Preservation is all about addressing the risks in your portfolio. Make sure you have safe enough money and guarantee no loss with lifetime income for you and your spouse.

Remember the fable. A bird in the hand is worth two in the bush. This fable warns us against taking unnecessary risks, especially in retirement. Logic tells us it is better to keep what you have (a bird) than to risk getting more and ending with less.

Living on retirement savings and living longer are genuine causes of concern.

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