

CREATING RETIREMENT WEALTH

FOUNDATION BLOCKS OF A SOLID RETIREMENT

- **FINANCIAL**
 - **HEALTH**
 - **SOCIAL**

TABLE OF CONTENTS

Introduction	Page 1
Chapter 1 – Doing the Right” Things	Page 2
Chapter 2 – Predicting the Future	Page 3
Chapter 3 – The Changing Economy	Page 4
Chapter 4 – Ways to Make Money – How Do You Make Yours?	Page 5
Chapter 5 – What Does It Take to Have Money Throughout Retirement?	Page 7
Chapter 6 - Get a Mentor	Page 9
Chapter 7 – Diversify Your Cash Flow	Page 11
Chapter 8 – Creating Residual Income	Page 12
Chapter 9 – Questions to Ask Yourself Now	Page 13
Chapter 10 – What Will It Take for This Business Model to Work for You?	Page 14
Chapter 11 – The Primary Focus of Your Retirement Wealth – Your Health	Page 15
Chapter 12 – Social Wealth	Page 17
Chapter 13 – How Will the Assessment and 30 Minute Consultation Benefit You?	Page 18
About the Author	Page 20

Introduction

Are you wondering if you will ever be able to retire? Well, you probably will, if you live long enough. But what kind of retirement will you have? A retirement full of good health, surrounded by many old and new friends, and enough money to enjoy the golden years? Or a retirement plagued by health problems, few social contacts, and funds that barely cover your basic bills because most of your money is paying for medical bills and prescription meds?

Your options are as follows:

- Option 1. Keep on working at that job. Maybe save a little money. Hope that your health holds out, and that you're not laid off due to outsourcing, downsizing, or employer liquidation.

- Option 2. Take control of your future. Develop an additional income stream to achieve your financial goals. Develop lifestyle habits that will maintain or improve your health and expand your social network.

If you're choosing Option 1, stop reading this book right now and go back to your daily grind at that job of yours and hope for the best in the future. Thanks for stopping by my website and reading until now. Good-bye and Good Luck.

If you're choosing Options 2, let's make a deal right now. You review this entire book. Then you schedule a 30 free telephone consultation with me during which I answer your questions and formulate a plan with you for your financial success. Okay? Then let's continue....

Chapter One – Doing the "Right" Things

I thought I did all the "right" things in life -- worked hard in school, got good grades, went to college, got a degree, got an advanced degree. I went out into the workforce and was totally dedicated to my employer and my career, because I knew that if I did all the "right" things I would be rewarded. My parents promised me that; my teachers promised me that; my employer promised me that. I saved for retirement through IRA's, mutual funds, annuities. I took a job with a guaranteed defined benefit pension plan so that I could retire in comfort after my years of service. At the time that I accepted my current job, my employer promised to give me health insurance for life upon retirement after completing fifteen years of employment. And, if I lived long enough to go on Medicare, or any Medicare successor health plan, my employer promised to reimburse me for any insurance premium that Medicare would deduct from my social security check. That would be my reward in exchange for years of dedicated service. I knew believed this because my parents and my teachers promised me this; and my employer promised me that dedication and hard work would result in good financial rewards that would insure a comfortable retirement.

The reality is that these promises were LIES. These were not deliberate lies. The lies came about as a result of circumstances over which parents, teachers, and employers could not foresee or understand.

For economic and political reasons my employer changed the formula for the employer's contribution to my pension that resulted in reduced pension benefits. Then my employer froze my salary for 12 years, and then reduced it through unpaid

furlough days and payroll deductions to pay for a portion of health insurance premiums, and then imposed further deductions of about 5% of gross salary as my new contribution to my pension, and of course, eliminated any overtime pay. As a result of all these changes, my net pay in 2011 was less than it was in 2000. It sure was difficult to save for retirement given the inflation rate over those years. Prices sure didn't go down! Oh, yes, that promised Medicare premium benefit ---- no longer available to me.

This traditional work world made no sense. I sought out and found another income stream to make up for those salary losses and would provide me with a growing income now and throughout my retirement years.

Chapter Two - Predicting the Future

My parents, teacher, employers, and other mentors could have given me better career and money advice if they only had a Chrystal Ball. With one of those mythical items we would have a better chance of choosing the right careers, right jobs, right life moves, right purchases. But who could have foreseen the direction things were going in the job market? When I was growing up in the 1950's – 1960's, most of the highest paying jobs in my home town were in automobile manufacturing. The entire economy of the city was based on the standard set by the auto industry. Who could have predicted then where the US auto industry would be today?

Who could have predicted the events of September 11, 2001, and the impact that a terrorist attack would have on the stock market and investments? Have your investments ever recovered? Mine haven't. Who would have predicted the housing boom? The financial crisis? That interest rates would ever be as low as their current levels? Those interest rates are fine for borrowers. But that retirement nest egg

sure is stagnant. And, you don't get much interest paid on your money with interest rates at .1%.

Chapter Three – The Changing Economy

The economy has changed and continues to change. Over the last 50 years, there has been a gradual transition from a national economy to a world economy. Many good manufacturing jobs have moved to other countries. Innovations in technology have displaced workers as computer chips replace the widgets that workers used to make in order for a machine to run, and automation replaces the worker who used to run the machine. Employers require fewer employees now due to employees being replaced by computers and other technological changes. The engineering of today's automobile is very different from that of the 1967 Chevy.

So, working longer and delaying retirement might be an option for some but not for others. Your job might become obsolete. Your job might disappear due to downsizing. Or, it might be outsourced to people in other countries in order to increase company profitability.

If you are fortunate to be able to keep your job, your employer might "reward" you with smaller pay checks, and increased health insurance premium contributions or higher deductibles provided that you are able to continue your health insurance. You might be required to contribute more to your pension plan or 401K, while your employer contributes less. This, too, reduces your net income. So, while food prices, gasoline, insurance rates, and utility costs go up, your net income could be less than it was ten years ago, or worse.

If you lose your job before your planned retirement, what can you do? After all, there are a limited number of Walmart greeter jobs out there. If you are fortunate to be eligible for social security, you could take it at a reduced rate. If you are Medicare eligible, you are very fortunate. Along with any retirement savings you have, you should be able to get by in your retirement years, provided that Social Security and Medicare continue to be available and you don't outlive your money. Ah, there's that Crystal Ball issue again --- you have enough money until you're 85, but what if you live to be 95 or longer. Sure will be difficult to get a job at 95! Even part time!

Chapter Four – Ways to Make Money – How Do You Make Yours?

There are basically four money making models:

Employee	<i>You have a Job</i>
Self-employed	<i>You own a job</i>
Business Owner	<i>People Work for You</i>
Investor	<i>Money Works for You</i>

Most of us make our money as **Employees**. This is where most of us ended up after we finished school. Our economy is structured so that most of us become employees in order to survive. We have been programmed to look for a safe, secure job with good pay and good benefits that would allow us to achieve a good standard of living and a secure retirement.

The **Self-employed** are people who want to be their own boss, and “strike out on their own,” in providing goods and services in exchange for money. They range from baby sitters to landscapers, to private-practice attorneys, consultants, speakers, etc., and may earn anywhere from \$8.00 an hour to \$100,000+ a year. The Self-employed thought that they were firing their boss, but instead they just changed bosses. The Self-employed are now the boss, but they are also still employees. When things go wrong, they have only their “boss” selves to blame. Their customers pick on them; their employees pick on them, their families pick on them, their friends pick on them. For the Self-employed, there is no guaranteed work or income. There is no one to “fill in” for them -- ever. They don't really own their job. Their job owns them. The Self-employed work for the business.

Business works for the **Business Owner**. Successful Business Owners find good people to join their team. Successful Business Owners can start with nothing and build great businesses by recruiting great team members, engage in efficient team work, and serve and work with many different types of people. The Business Owner often is not the smartest or most talented person in the room but he/she seeks to recruit the best and brightest for the team. Successful Business Owners can stop working for years and the money keeps coming in, because the team is still working. The Business Owner continues to receive a percentage of the business profits whether he/she is working or not.

Money works for the **Investor**. Their money comes from investment in gold coins, real estate, businesses, stocks, bonds, mutual funds, etc. These people are financially free. Rather than having to work for their money, their money works for them.

How do you get your money? How will you get your money in retirement? If you currently get your money solely as an Employee or Self-employed, your primary retirement income will probably come from Social Security, pension, 401K, or other retirement savings. If you get your money primarily as a Business Owner or Investor, you are probably well on your way to a comfortable retirement, provided that you are able to live on your money without working any more.

Is it possible to be an Employee or Self-employed and become a Business Owner or Investor before you retire? Can you transition after you retire? Can you diversify and have multiple streams of income?

Chapter Five – What Does It Take to Have Money Throughout Retirement?

Have you heard the advice, “Don’t put all your eggs in one basket?” What is this piece of advice really telling you? It’s telling you to spread things around or diversify. In order to have money throughout retirement, you need to have money coming from multiple sources. Money managers tell you to have a diversified money portfolio with a balance of stocks and bonds; conservative and aggressive investments. In that way you will always realize some income no matter what the economy brings. When stocks go up, bonds go down and vice versa. In a traditional economy, balance is key to investing the money you were able to set aside from that good paying, secure job you have as an Employee. Your pension or 401K, Social Security, and income from that diversified investment portfolio will see you through your Golden Years in a happy, carefree retirement.

Enter the changing economy of the late 20th Century. Employees and the Self-employed are no longer secure. Pensions are smaller or nonexistent. Your 401K

was doing well until the recession caused it to lose 50% of its value. So much for that diversified portfolio getting you through your Golden Years.

In order to enjoy your Golden Years with sufficient money, you need Money Making Skills. Money Making Skills allow you to generate income on your own without relying on the Employee Jobs or Self-employment situations.

The two Money Making Skills that I encourage every to develop are:

1. Communication Skills (sales, negotiating, relationship building, etc)
2. Internet Marketing Skills

If you master these skills, you can be a Business Owner and grow a business with a very small initial financial investment.

Too good to be true? Don't like those words, "sales" or "negotiating" after Communication Skills? You say, "I can't sell" or "I'm bad at negotiating." Well, when was the last time you recommended a product to someone? Or negotiated your way into a grocery store line? When have you sold your friends on going to a game, or to a movie? When was the last time you negotiated a dinner engagement with your friends or parents or spouse or children? If you've done these things, you have basic communication skills that you can use to Make Money. I'm not taking about selling real estate or used cars. Nor do I expect anyone to be able to resolve a labor dispute. You just need to develop your every day communication skills to be able to sell and market products, ideas, values, abilities, ways of thinking, etc.

You use the same everyday communication skills to market on the Internet.

The 21st Century Internet Revolution is real and is here to stay. The Internet has dramatically changed the way we do business. People have shifted from going to a store to buy things to logging onto the Internet and having good delivered to their door step. Just about everything that you want in life is just a few keystrokes away on the Internet superhighway. People can now conduct business from their homes by selling goods on eBay. Internet commerce is growing and is not going away any time soon. Many people try to conduct business on the Internet but fail because they do not learn effective communication and Internet Marketing skills.

Communication skills and Internet Marketing skills are two Money Making skills that will get you all the income that you need in retirement.

You know that you have basic communication skills. And, you are familiar with the Internet or you wouldn't be reading this eBook. But how do you develop the skills you need to conduct business on the Internet?

Chapter Six – Get a Mentor

Well, you could try developing the skills you need by surfing the Internet and visiting countless websites that will give you the secrets of how to make money on the Internet. For only \$47 or \$97 or \$147 or \$597... the website host will send you an eBook or CD or both to guarantee that you will make money on the Internet or your money back. Or, you could go the trusty old library and get some book about starting your own business. But after you read the material or listen to the CD, then what? Is there someone there to answer your questions and keep you on course?

Every successful person has a mentor or several mentors. Every sports team has a head coach and an entire coaching staff to support and mentor every position and every player on the team.

Mentorship relationships take three forms.

Type 1. **Teacher Relationship.** You can learn from someone who is successful through their website, conference calls, webinars, etc. You can learn a lot from this style but this style does not lend itself to getting all the answers to your questions. The teacher enjoys helping and teaching people, but the teacher's top priority is his/her own business and life. This mentorship style can give you some foundational information, but don't rely on this style as your main mentorship.

Type 2. **Consultant Relationship.** You pay consultants for their expertise in a specific area. This might be a one-time payment for a specific project or periodic payments for continuing assistance on a long term basis. In this type of relationship, you pay a fee and receive a service.

Type 3. **Vested Relationship.** In this type of relationship the mentor has a financial interest in your success. You don't pay this mentor anything initially, but he/she has a financial stake in your business or project. The more successful you are, the more successful the Vested Mentor is and the greater the financial reward is for both of you. The Vested Mentor's primary goal is to do what it takes to help you become successful.

You can use one or all three styles of mentorship. All three styles can be of great benefit to you. However, to insure the continuing development of your Money Making Skills, a good Vested Mentor will continually provide you with good guidance

and resources to keep you on course in growing a business that will result in Residual Cash Flow.

Chapter Seven – Diversify Your Cash Flow

The riskiest thing you can do before or after retirement is to rely on your income coming from only one source. You are in real trouble if you are in the workforce and your sole income source is your job, and you lose that job. If you are retired and your sole income is coming from mutual funds invested in stocks, you could be in real trouble when the stock market goes down.

Cash flow is any money that is coming to you. Immediate cash flow is money that you get immediately from a job, or a sale of a house, or a sale of stock, or a consultant fee for service. You do something and you get paid for it.

Residual cash flow is money that comes to you no matter what you're doing. You get paid over and over again for something you did in the past. Residual cash flow comes to an author or a song writer every time his/her book or CD is sold. After the purchase of an apartment building, the monthly rental from tenants is residual cash flow to the building owner.

“Diversified” means that you’re not relying on one cash flow stream. When you diversify your cash flow, you have money coming in from both Immediate and Residual sources.

Chapter Eight – Creating Residual Income

Now you understand that it is important to diversify your cash flow stream with both Immediate and Residual income. So, how do you get the Residual income if you don't get royalties from writing books or music, or from apartment building rents?

The 21st Century Internet Revolution has created unlimited opportunities with companies in sales and marketing. Some opportunities are good; some are scams. Beware of those “get rich quick” schemes. No matter how good a product or service is, serious money making takes time. The amount of time depends on your skill level and the amount of time you devote to the business. Successful business builders start with small, realistic, attainable financial goals, and then strive for greater financial rewards over a period of 3 to 5 years.

The Residual Income in sales and marketing comes from the commissions paid to you from the on-going purchases of the goods or services that you market. You make the initial sale and are paid a commission. When your client makes subsequent purchases, you again are paid commissions on each purchase for your one-time sale.

There are three important criteria for any successful product or service sales or marketing business.

1. Uniqueness. The product or service must be unique. It must stand out from all of its peer similar products or services. Its uniqueness makes it more attractive to buyers.

2. Consumable. The product or service must be consumable so that multiple purchases are possible by the same person. A one time purchase of a unique item produces no repeat business, and therefore, results in only a one time sale. Those durable “Maytag” type sales items do not have the same income potential as a “Mars Bar” type item. Similarly, legal service sales to write wills, produces fewer customers than home cleaning services. You need only one will, but that house needs cleaning time and time again.

3. Expanding Market. The product or service must be in demand by an expanding market. It is much more profitable to market goods and services that are needed by the Baby Boomer generation than to the Amish community.

In order to expand a business, a business owner might chose to recruit and train other people to market the same goods or services and take a commission for each sale and subsequent purchases made by all the people he/she trained and recruited. This is known as “leverage.” The business owner gets the benefit of not only his/her work in sales and marketing, but also benefits financially from the work of all the people he/she recruited into the business.

Chapter Nine - Questions To Ask Yourself Now

So, now that you've got the picture of how to generate residual income through sales and marketing:

1. Is this something that would supplement your retirement income?

2. Are you interested in learning internet marketing skills?
3. Are you teachable?
4. Do you have a product to market either on or off the internet?
5. Do you have the skills to market products on the internet?

If you answered "YES" to any of Questions #1, 2, 3, read on.....

Chapter Ten - What Will It Take for This Business Model to Work For You?

Well, like everything else in life, you will have to invest some time in learning the skills you will need to market on and off the Internet. Remember that the same communication skills are necessary both-on and off-line. You won't have to do this alone, but it will require about 5 – 10 hours a week to learn skills and then start implementing them.

You will need a product or service to market. Depending on the company you decide to represent, the company will require a small initial investment to get started and most likely periodic fees paid to the company to represent them. Remember, you are building your business and investing in **your** business without the expense of the product or service. The investment varies from business to business, but it is usually a few hundred dollars to get started.

In order to insure your success, it is important that you consider some type of mentorship to keep you focused and on track with your business goals. Too many

people venture out into business, go it alone, and fail because they get stuck, lose focus, lose their way, and quit.

I've been working with a group of people who are developing cutting edge internet marketing techniques and training programs along with unique products in the health and nutrition area that appeal to the expanding aging Baby Boomer generation. The results are impressive. I am developing a business that will bring me financial freedom in retirement, and give me the resources to have the retirement of my dreams. I enjoy sharing what I have learned about this business model with others, so that they also can work toward achieving financial freedom in retirement.

This business model might not be for you. But you should know about this business type, and decide whether it is or is not for you. I never learned about this business model in college. It isn't taught in tech schools. It might be the opportunity of your dreams. It might be the opportunity of the dreams of someone you know.

We can discuss some options for you to explore during the 30 minute free consultation telephone conversation offer. Our phone conversation will help you assess your financial needs, set your goals, and develop an action plan that will help you achieve your goals.

Chapter Eleven - The Primary Focus of Your Retirement Wealth – Your Health

Until now, I've been focusing primary on financial wealth. But what is the most costly expenditure in retirement? Most people call this expenditure, "health care" costs. But "health care" costs are actually the costs associated with illness or disease management, and the insurance premiums associated with protecting you financially against exorbitant medical bills. And, even if you have health insurance,

what does it actually cover? What are the deductibles? What are the co-payments? And, when you go on Medicare, what will Medicare cover? What will your supplemental insurance cover? What will supplemental insurance cost? The current trends appear to indicate that all insurance premiums, including Medicare premiums, will rise. Your copayments will rise along with your insurance deductibles.

What is the best way to protect you from escalating “health care” costs? The answer is to protect and maintain your health.

You might have heard some people say something like, “If you don’t have your health, you don’t have anything.” Good health is the most precious gift anyone can have. Good health is achieved and maintained through three elements: food, physical activity, and nutritional supplementation. These elements apply to both people who are in good health and people who are in poor health. If your health is failing, and you are suffering from a chronic degenerative illness, you can take some daily steps to improve your health or do things necessary to prevent further decline. If you are currently illness free, you can prolong your good health by incorporating and maintaining a positive, healthy lifestyle.

When you understand the positives and negatives of what you eat, you can learn how to eat in a way that improves your health. Weight reduction is a side effect of good eating, since a healthy weight is one of the best defenses against illness and degenerative diseases.

You don’t have to join an expensive health club to be physically active. Nor do you have to be in good enough physical shape to go on “Dancing With the Stars.” You can tailor your physical activity to your fitness level and gradually increase your

activity as your body gets stronger and demands more. The amount of physical activity can be structured to improve your health on your terms, starting at your level.

The need for nutritional supplementation is an area that continues to be discussed and debated. The research concludes that optimal nutrition is critically important to good health. The debate tends to focus on whether optimal nutrition can be obtained from our food source or if it is necessary to supplement our diet with vitamins and minerals in order for our diet to achieve optimal nutrition.

Understanding the whys and hows of choosing supplements will provide you with information so that you can make an informed decision for yourself concerning nutritional supplementation.

We can discuss some options for you to explore during the 30 minute free consultation telephone conversation offer. Our phone conversation will help you assess your health needs, set your goals, and develop an action plan that will help you achieve your goals.

Chapter Twelve - Social Wealth

If you have good health and a lot of money, but are isolated and lonely, you have missing the third component of retirement wealth. Friendships and positive social contacts promote good health, both mental and physical. Aging and retirement also brings loss – loss of friends and family members who move away or pass away. It is important to maintain friends and positive social contacts and replace those that are lost over time with new ones.

The work world provides structure to our lives and many daily social contacts are made through the work place. The work place is so strong in our lives that we tend

to define ourselves through work. The question, "What do you do?" becomes more difficult to answer in retirement. The standard answer is, "I'm retired." But in giving that answer, some people feel a loss of purpose and importance that the job or career gave them. A sense of purpose is important for a healthy long life. Maybe you knew an ostensibly healthy person who died shortly after retirement. I've known a few people who retired on Friday and requested to be reinstated on Monday. I also know some people who retired, but continue to haunt their old work place regularly.

Retirement can be a new beginning and a new life full of new experiences and new friends. You just have to identify your interests and find others who have similar interests. Retirement can be a time in which to reconnect with old friends. You shared interests in your younger years, why not explore whether you still share common ground in retirement?

Retirement also modifies your relationship with your family. How you structure that time will be important to those relationships.

You can assess your Social Wealth on the Assessment Form. We can discuss areas of concern during the 30 minute free consultation telephone conversation. Our phone conversation will help you assess your social needs, set your goals, and develop an action plan that will help you achieve your goals.

Chapter Thirteen - How Will the Assessment and 30 Minute Consultation Benefit You?

The Assessment Form is a tool to help you assess your current financial, health, and social wealth and set the goals you would like to achieve in these three areas in

order to achieve your ideal retirement. During our 30 minute telephone call, you and I will review the goals that you identified in these three areas and develop a plan of action for you to work on toward achieving your goals.

I will help you to focus on your retirement goals and give you some additional resources for you to explore that will assist you in your retirement goal attainment.

So, if you're interested in achieving financial, health, and/or social wealth in your retirement, or maybe you just need someone to help you to get moving on framing your retirement goals, fill out the Assessment Form and we'll get started.

I will call you within 48 hours of your completing the form, unless I'm out of the country on one of my travel ventures. If I am, I'll contact you by email as soon as I can connect to the world wide web.

I'm looking forward to talking with you and assisting you on your journey toward Creating Retirement Wealth.

About the Author

For the past forty years, Kathy Nelson, BSW, MA, has been mentoring people employed in traditional finance, human service, and business professions by assisting them in defining career and personal goals and developing action plans to achieve those goals.

She has supervised and managed substance abuse and mental health human service programs, trained staff in goal setting and action planning principles, and secured and managed program funding.

Her business experience includes finance and budget, retail, information technology, sales, and internet marketing.



TO YOUR GREAT RETIREMENT!