The Retirement Income Store®

NEWS

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TheRetirementIncomeStore.com

# Reset Your Retirement to Help Ensure It Is The Most Rewarding Phase of Your Life

Retirement can be one of the most rewarding phases of your life, but in order for that to happen, you'll need ongoing streams of income you can count on. Unfortunately, many recent retirees have become increasingly dependent on taking withdrawals from their investments to cover the costs of living in retirement.


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**Featured Presenter**

**David J. Scranton,**
CLU, ChFC, CFP®, CFA, MSFS

Independent financial advisor, with more than 30 years of experience specializing in income-generating investment strategies.

- Founder of Sound Income Strategies, The Retirement Income Store®, Advisors' Academy, and Scranton Financial Group.
- Sound Income Strategies manages over $1 Billion AUM
- Host of nationally televised TV show, The Income Generation with David J. Scranton, Sundays at 10 am on NewsmaxTV
- Three-Time Published Author

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Without the proper income, many are being forced to take withdrawals from the principal balance of their retirement savings—not realizing that it could lead to the cannibalization of their savings. Not only that, but the more you withdraw, the less money you'll be left with to generate income for when you'll need it most.

## Planning for the Unexpected

Meet Jay. After spending much of his adult life as a contractor, he was forced to retire in his late 50s due to a heart condition. Throughout his life, Jay has been diligent in building a retirement nest egg, but neglected a contingency plan for the unexpected, like his heart condition and the recent economic downturn.

Health concerns can creep up unexpectedly, forcing a change in our plans. This can be a difficult time, leaving you feeling overwhelmed by the decisions you must make. Sound familiar? If you're facing a similar situation, it's important to take the time to review all the options available, so you can make informed decisions that are best for you and your family.

## Work on Your Own Terms

This is Carla, a single mother who just turned 60. Throughout her 50s, she envisioned retiring in her early 60s. However, Carla has experienced some financial setbacks, including the recent drop in the stock market.

Carla is a diligent saver and financially conservative. However, with many Americans enjoying 30+ years in retirement, her savings of $500,000, might not sustain her throughout retirement if she were to withdraw $40,000 each year, which is what Carla has determined she'll need.

Attempting to save as much as possible, Carla plans on a transitioned retirement, where she'll continue to work part-time. She understands that the rising cost of healthcare can quickly chip away at her savings. So, her main concern is maintaining her good health while saving enough money to enjoy a comfortable retirement.

These are just a couple of examples of why a retirement plan that allows you to generate reliable streams of income, while helping to preserve your savings, is a must in today's age of economic uncertainty.

Jay, Carla, and anyone else in a similar situation needs more than a financial advisor; they need a financial advisor who is also a fiduciary, an Income Specialist familiar with navigating the complexities of planning and saving for retirement in the new corona-economy.

**If you've been impacted by the recent economic downturn, let our Income Specialists help you reset your retirement. Call (888) 888-4176 or click here to schedule a complimentary, no obligation, 15-minute call.**

# Does the Fed Have Enough Ammunition Left to Limit the Economic Damage of COVID-19?

By David J. Scranton, Founder, The Retirement Income Store®


Our country is carefully reopening after two months in lockdown, but no one is breathing a sigh of relief. Uncertainty and fear are still the dominant emotions for most, with many questions remaining, including if the Federal Reserve has enough resources available to limit the economic damage of COVID-19.

To its credit, the Fed did act quickly to try and cushion the economic blow of the pandemic, first by lowering its benchmark interest rate to zero. But with the pandemic creating an unprecedented economic stoppage, much more Fed intervention was needed. As a result, the Fed ended up removing the limit it had set on its bond-buying programs ahead of the coronavirus and current Quantitative Easing (QE) efforts became open-ended.

If you aren't familiar, QE basically allows the Fed to print money and flood the economy with it. All the textbooks say that's how you stimulate economic growth, but what these textbooks fail to consider is: what if nobody spends that money, or what if they use it to pay down debt?

If that ends up being the case, then QE can have a very limited impact on the economy, but it can still have a big effect on the stock market. Many economists believe the unprecedented amount of QE we've seen since the Financial Crisis has helped to artificially support the stock market at recent levels and has also helped create the disparity we've experienced recently between stock market performance and economic reality.

It's as if Wall Street has become accustomed to expecting a certain amount of growth each year, knowing that if it falls short, the Fed will be willing to flood the system with cheap money to buy more time before the stock market is forced to realign itself with economic reality.

So, the question becomes, can open-ended QE and the Fed's other efforts continue to postpone a major correction– even in the face of the country's greatest economic challenge since the Great Depression?

Although Fed Chairman, Jerome Powell, recently said, "there's a lot more we can do", I have my doubts it will be enough. If it is not enough, you need to ask yourself, what could it mean for your retirement savings?

If you are retired, or close to retirement, do not assume that the Fed, Congress, or your advisor will take care of the current situation for you. Instead, take advantage of the opportunity that the recent market recovery has given you to make sure you've done all you can to prepare for the possibility of another major stock market drop.

# Getting a Handle on Debt

Rob and Cindy are healthcare professionals in their late 50s who are looking forward to retirement. They've amassed sizeable debt through student loans they've taken out to help put their children through college. Compounding this is the recent stock market drop, 10 more years of mortgage payments, and the rapidly rising cost of living.

Knowing that they'll now have to work longer to pay off debt and replenish their emergency fund, Rob and Cindy have decided to downsize and establish an aggressive budget, so they can contribute as much as possible toward their retirement savings.

With retirement on the horizon, being able to generate consistent income streams at retirement is paramount. That's exactly what every Income Specialist at The Retirement Income Store® has been personally taught to do by our Founder, David J Scranton.

**If you are facing a similar situation, download our complimentary report, *Reset Your Retirement*, that explains how investing for income can help you address some of the most pressing challenges facing retirees and those planning on retiring soon.**

[Read it today!]

# The Winds May Have Calmed for the Stock Market, Yet the Danger Remains

By David J. Scranton


I recently had the pleasure of welcoming economist Peter Morici and financial historian Harry Dent back as guests to The Income Generation Show—both of which had differing opinions about the potential direction of the stock market.

On one hand, Peter Morici believes that as long as we're able to avoid a second wave of COVID-19 infections, the stock market could recover most of its losses by the end 2020. On the other hand, Harry Dent was much more pessimistic, saying he thinks the DJIA could drop as low as 5,000.

With such wide-ranging forecasts out there, who you should you listen to? Well, if you are retired or close to retirement age, it should go without saying that now does not seem like a great time to gamble your retirement future in today's volatile stock market. I'd like to share an analogy to illustrate why.

Imagine you're on vacation at the Grand Canyon and you reach a footbridge over a deep gorge. The bridge appears to be sturdy, but halfway across a strong wind causes the bridge to sway and start buckling. Fortunately, just as you come to terms with the fact that you could fall to your death, the winds relent and you're able to make it back to safety.

As you regroup and count your blessings, you notice that although the wind has subsided a bit, the bridge is still swaying. Much to your surprise, your guide announces that it's safe to try to cross the bridge again. What would you do?

Would you overlook the fact that your last attempt almost ended in disaster, and risk your life because your guide says it's safe? Or, would you wait until the winds died down completely and you were certain the bridge was safe to cross? I believe most of us would choose the latter.

In a way, that's how I see the stock market right now. It swayed and buckled dangerously back in March when the S&P 500 fell by 34% from its February peak.[1] Although the winds seem to have calmed and the market seems to have steadied, I believe the danger remains. In fact, I believe it's even greater now.

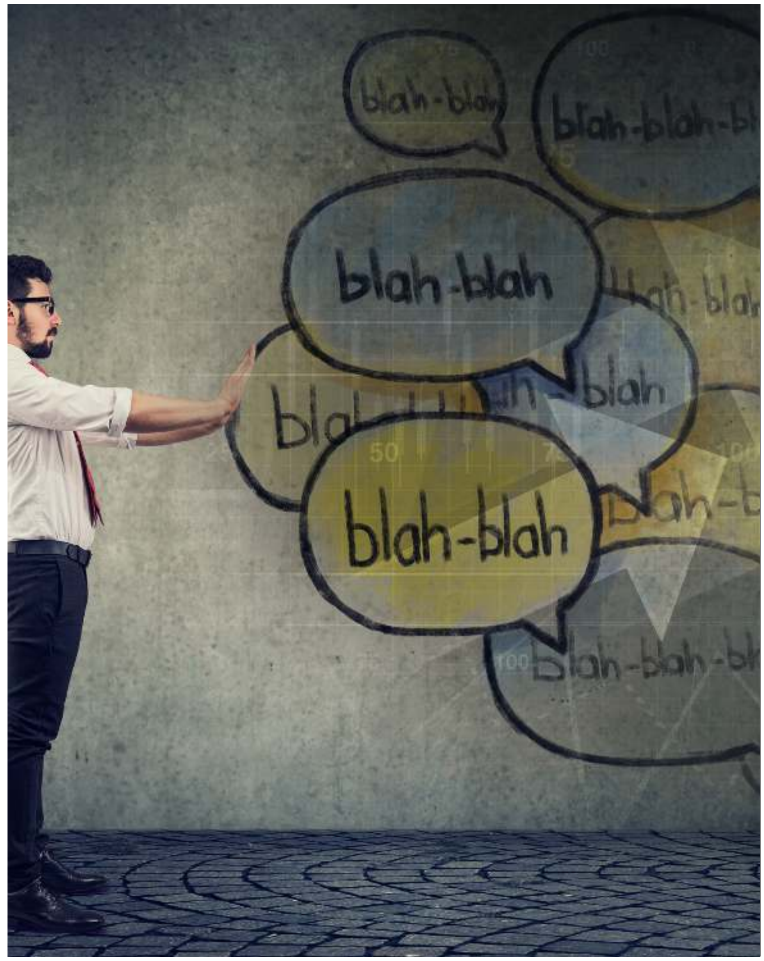
Thanks to more than a decade of reckless overuse of economic stimulus by the Fed, the stock market has become dangerously dependent on cheap money and increasingly detached from economic reality. In the face of the current crisis, and the threat of a potential second wave of infections, I believe it's only a matter of time before the market is forced to make economic sense once again.



[1] https://www.forbes.com/sites/juliejason/2020/04/08/the-coronavirus-stock-market-a-market-gone-wild/#3725d2eaa31f

# Stock Market Cheerleaders Are Out in Full Force

By David J. Scranton




For those on the more conservative side of how we manage our retirement savings, it can be natural to second guess our strategies as we watch the stock market continue to rise even though economic fundamentals don't seem to warrant such a ride up.

During times like this, where stock market cheerleaders seem to be out in full force proclaiming the worst is over and it's safe to get back into the market, it can be natural to have a fear of missing out. If you're dealing with these types of feelings, I advise you to take a step back and regain some perspective, before allowing yourself to take on more risk than you really should.

In early 2020, before the U.S. economy came to a grinding halt, the International Monetary Fund had already forecast a slowdown in Gross Domestic Product (GDP) for the US, China, and other major economies around the world for 2020 and 2021.[1] It also warned that the global economy continued to face an array of risks. Once again that was before COVID-19, and we all know what has occurred since then:

- GDP shrank by 5% in the first quarter of 2020—the biggest slide since 2008
- Economists forecast economic shrinkage as bad as 40% for the 2nd quarter
- The most Americans out of work since the Great Depression

I could go on and on about how recent economic data doesn't support recent stock market performance, but I think you get the picture. Sure, the best-case scenario could occur, and I hope it does. But what if we do experience a second wave of infections? What if the Fed's QE isn't enough to support the overvalued market?

With so many potential skeletons in the world's economic closet, I strongly suggest that anyone who is retired or close to retirement stay away from today's stock market.

## Financial Advisors, Ready for a Potentially Life-Changing Opportunity?

The Retirement Income Store® is on the lookout for like-minded Investment Advisor Representatives who embrace our philosophy of "defensive" retirement planning. Those who sign up in the next 30 days can:

- Benefit from the national launch of our multimillion-dollar TV and radio advertising campaign
- Possibly appear on our founder's national TV show, *The Income Generation with David Scranton*—broadcast to 70 million households on NewsmaxTV
- Gain access to free, qualified leads in your area. Click here to find out if you qualify.

"Recent stock market performance has given investors a golden opportunity to take some risk off the table, ahead of what could be an even greater drop than we experienced in March.

Investors had similar opportunities to get out of the market ahead of the Financial Crisis in 2007. Those who ignored the warnings ended up taking that agonizing ride all the way down. There's no reason you have to do the same."

—David J. Scranton, Founder of The Retirement Income Store®

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**Call 1-888-888-4176**

to to help ensure your retirement plan is built to thrive in the new corona-economy.

[1] https://www.marketwatch.com/story/imfs-global-economic-forecast-is-slightly-less-optimistic-than-the-one-it-issued-in-october-2020-01-20