

BABY BOOMERS.....

SET UP YOUR RETIREMENT INCOME

Sad Fact #1: It is a sad fact that very few Boomers nearing retirement have created and funded a retirement plan that will provide dependable income through their retirement years.

Sad Fact #2: Those that have funded an IRA or 401k will find that the fund is not large enough to provide adequate income to support their pre-retirement life style. They will die in poverty in the strongest national economy that they helped build and support.

IRA Fact: Few are aware that of all the income tax that you saved while funding an IRA over a 30 year period will be paid back to the government in income taxes in the first THREE years of your retirement. Further, if you live to life expectancy, you will pay SIX times more in income tax than you had saved by making a pre-tax contribution to the IRA or 401k.

Please do not misunderstand the message. In my opinion, if the government did not allow for an IRA or 401k, most Americans would do NOTHING at all. We do not save... we carry credit cards.

"Credit Card Logic": Who needs a savings account when you can carry five to seven credit cards with cash advance limits.

Maybe this explains why the typical American family has over \$9,000 of credit card debt, and that debt is at an interest rate that is over twice the interest rate on their home mortgage.

By making the minimum monthly payment, it will take you 30 years to pay off the credit card balance, and that is IF you STOP charging one more dollar in additional charges.

What Is The Answer?

As I jokingly state in my "Real Estate Investments" evening class at Lane Community College, there are three ways of becoming wealthy.

1. Select wealthy parents, then hope that they don't go through it all before it is your turn to take over;
2. Marry someone who selected wealthy parents that did not go through it all before it was handed off to your spouse; or
3. Accumulate it the hard way - earn it, invest it, and manage your portfolio.

What Is The Real Answer?

Invest in income producing property and build a strong equity in well located and well

maintained rental property. Your equity increases whether you opt to get up and go to work, or opt to stay home and play with the kids and grandkids.

I do not suggest playing too soon with this plan... work your rear off so you can afford to buy more and more property. There will be time to play later.

But, the point is still a sound one your real estate equity grows independent of your personal involvement. It is not tied to the number of hours that you work, or the stability of your job.

What Really Happens?

If we can just cover the down payment (and that is not a very big number) then the tenant will make all of the payments necessary to pay:

1. the property taxes;
2. casualty insurance premium;
3. cost of keeping it in good repair;
4. pay the cost for good quality professional property management (so you don't even have any contact with the tenant); and,
5. also pay enough rent that you can make the mortgage payment each month.

Again, if you can cover the down payment, the tenant will cover the rest of it (or most of the rest of it) for you.

If you own it long enough, your tenant will even pay off the entire mortgage loan.

Own enough property free and clear of debt and you become financially independent. Your passive investment income will completely pay for your living expense.

It Gets Even Better.... THE "END GAME"

For Those Who Played The Real Estate Equity Game

TAX-FREE RETIREMENT INCOME

Concept: Harvest part of your equity, then invest it in an asset that will generate tax-free retirement income for the REST OF YOUR LIFE.

How: Harvest a portion of the equity in your home or rental property, and invest it in an asset that will generate sufficient tax-free retirement income.

Prerequisite

To play the end game to full advantage, you need

1. at least \$100,000 in equity in your personal residence or in a rental property; or,
2. at least \$100,000 in an IRA or accessible 401k; and
3. at least 10 years to allow the investment to compound and grow to generate the necessary tax free retirement income.

IF YOU QUALIFY,

THEN THERE IS A ONE EVENING SEMINAR FOR YOU

If you have \$100,000 in equity or in a IRA or 401k, and have 10 or more years to wait before you will need to start receiving retirement income there is a great investment plan for you.

Equity Harvesting Seminar

To learn how the system works, contact Judy at 206-9026 to reserve a seat for you and your spouse / life mate at the next "Equity Harvesting Seminar".

Date: First Wednesday evening of each month

Place: Find out from Judy, 206-8306

What Will Happen: Come with an open mind, and be prepare to be amazed. What you will learn will knock your socks off!

Thank you,

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