



## CHAPTER 1

# *RACE DAY*

It was a beautiful November morning in Central Florida. The air was crisp and the sky bright blue. As the sun rose in the distance, my wife Debbie and I, along with our two children Cassandra and Vaughn, left the house at 7:30 a.m. for a ten-minute drive to Heathrow Elementary school. Although it was a Saturday morning, it felt like another ordinary school day.

We are blessed with two wonderful and healthy children. Cassie, at the time, was eight years old, in third grade, and still dreaming of following in the footsteps of her musical idol, Taylor Swift. Vaughn was a six-year-old, a high energy first grader, whom I am now personally training for the 2030 Men's Soccer World Cup. Vaughn started running when he was nine months old . . . really. He is very athletic. Although he's a little small for his age, he seems to pick up most sports very quickly. He has what I call the three Hs. Vaughn *hates* to lose, he out-*hustles* his opponents, and he plays with his whole *heart*.

As we turned onto Markham Woods Road, cars already lined the streets that lead up to the entrance of the school properties. With the Florida sun rising in the distance, the perfectly clear sky made all the fall colors pop. It was the first county-wide cross country race for Seminole County and we did not want to be late. The kids had brought home a race flyer earlier in the week detailing the race times, special events, and awards for the winners. Debbie and I thought this event would be a great way

to start off our weekend and get some early morning exercise behind us. We even promised the kids that, after the race, we would get them the breakfast of champions: a smoothie or a doughnut.

The cross country race was broken into separate groups of boys and girls based on respective age groups, ranging from six to eleven. Each school in the county was represented by their own mix of student runners. Entering the school gates, we noticed the various school flags set up around the field adorned with the different school mascots and colors. The flags made a great place for the runners and parents to meet the coaches before the race.

The kids quickly located their school flag and ran to greet their “runners club” coach and classmates. The coach was registering each student runner into their respective age group while handing out the race bibs. When it was Vaughn’s turn to sign in with the coach, I overheard the coach tell Vaughn that she knows he has a lot of energy, and if he races hard, he might even be able to place in the top fifteen and get a medal, or even a trophy. The coach was quite familiar with Vaughn’s energy level from P.E. class at school. Maybe she was optimistic about his chances. Personally, I think she was just really good at encouraging the kids.

Then Vaughn asked his coach in front of the other parents and runners, “Where are the trophies?” Without hesitation, the coach turned back toward the school building and pointed to a wall in the distance where a makeshift podium had been set up for the post-race trophy presentations. Vaughn pointed to the podium and responded to the coach, “Meet me over there after the race?” We all laughed out loud at this pre-race exchange.

Like clockwork, it was time for the National Anthem. We all stood at attention as the *Star-Spangled Banner* played over the loudspeakers and echoed in the distance. Emotions overran me; I felt both nervous and excited for all the kids. It was an electrifying atmosphere that reminded me of some of my own childhood races. The crowd gave a loud cheer at the conclusion of the anthem, and it was time for the pre-race music. The theme from the movie *Rocky* got the crowd pumped up as the first group of

runners, the six-year-old boys, headed to the starting line to begin their race on the makeshift half-mile cross country track.

Before he left for the starting line, I gave Vaughn his final race instructions and pep talk.

“Run your own race,” I said. “No matter what, make sure you finish your race strong!”

The night before, we had talked about the story of the hare and the tortoise, and discussed how running at a consistent speed and then sprinting at the end of the race would get him to the finish line quicker than if he sprinted in the beginning and then had to stop during the race to take a break because he was out of breath. You know how the story goes and how it ends. We were really looking for something *between* a hare and a tortoise. Something like a fast tortoise.

Coach left our group and took the five boys representing our school, including Vaughn, to the starting line. There were about one hundred boys in the entire six-year-old race group. The starting line was packed from one end to the other, and the boys jockeyed for position in the front, as there was not enough space at the starting line for all. I tried to locate Vaughn in the group, but it was very difficult, as they stood about five boys deep.

The racetrack was roped off on both sides and the parents lined it from beginning to end. The horn finally sounded, and the boys took off like rabbits out of the starting gate. For most of them, their half-mile journey around the school grounds would be over in less than ten minutes. The first half of the track was mostly a mix of grass, sand, and dirt with small bumps and hills scattered throughout. The boys started the race packed together in a large group. The track narrowed at the first turn and several crashes took out groups of five to ten boys at a time, who fell and quickly got back up in a haze of dust. Vaughn avoided one of the early crashes while jumping over one of the boys who had tripped and fallen directly in his running path. I tried to visually follow him along the course as long as I could as he found his way to the middle of the pack. Spectators were lined about three people deep along most of the first half of the half mile course, so my vision was mostly impaired. The track then took the boys up a hill and behind the adjacent middle school building. I saw

Vaughn in the distance as he passed several boys going up a small hill, then disappeared behind the school building. Now out of sight, the boys raced onto the asphalt parking lot and eventually around the bus loop.

I positioned myself along the final stretch of the racecourse so I could cheer the boys on as they closed in on the finish line. The final stretch was slightly downhill and a straightaway of about 150 yards through mostly hard sand. As the boys came around the corner of the building and into view, there was Vaughn, now in seventh place and sprinting for the finish line. He passed several bigger boys along the way. He told me later that he passed many boys on that bus loop. He said they started fast and then got tired, just like the hare in the bedtime story.

Vaughn passed two more boys as he sprinted to the finish line. He finished in fifth place with a time of three minutes and twenty-five seconds. As it turns out, only the top five finishers received trophies. I am not sure Vaughn knew that, but he did make good on his promise to his coach. He was the only student representing his school in his age group that placed. Not too bad for his first cross country race! I am sure his recently completed soccer season had not hurt his endurance and energy.

We learned a lot of lessons on our first race day: First, you should run your own individual race and not worry so much about everyone else. We also learned you should practice running leading up to race day and be prepared if you want to have a successful race. Vaughn saw the importance of keeping a consistent pace during the race, and that short sprints and multiple stops would not get him to the finish line faster. In fact, it could delay the finish time. And finally, we learned to always remember to finish strong. It is critical that you don't jeopardize the success of your entire race as you approach the finish line.

Imagine retirement is just like a long race. For some, the "finish line" might be at age fifty-five, while for others it might be at age sixty-five. And for some people, the retirement race may never end. Perhaps they do not feel as if they are in a race, but on a leisurely jog forever and ever. Since getting to retirement for most people means finishing the race somewhere in their mid-

to late sixties, I think we can all agree that getting to retirement is like running a very long marathon.

The start of your personal retirement race might begin in your twenties after you have finished high school, trade school, or college and started working full time at your first job or career. Remember, before you decide to enter a race you need to put together a training regimen and a plan to prepare for the race. The same strategies and plan should hold true for your retirement race. If you put together a plan or a “roadmap to retirement” before you start saving and investing, the likelihood of you finishing the race successfully and “on-schedule” will increase exponentially. Remember that everyone’s situation and timeline will be different, so you want to be sure you plan to run your own race. Don’t be looking over your shoulder and trying to imitate what the other racers are doing. Instead, focus on your own speed and skills. They are unique to you, and you should take advantage of them.

Some people will get married and have children. This will most definitely impact the timeline of their retirement race. These racers will have more short-term costs and expenses than those without children. According to a 2017 report from the U.S. Department of Agriculture, the average cost of raising a child from birth through age seventeen is \$233,610. Parents spend between 9 and 22 percent of their total income on childcare.<sup>1</sup>

If you consider the rising costs of post-high-school education, I personally believe the cost of raising a child can quickly increase to a total of well over \$300,000.00. This is not necessarily the case for everyone, but as I’ve observed others’ experiences, it can happen. Clearly these expenses will impact parents’ retirement savings plan much more than those who do not have children.

Some people start their careers later in life or go back to school. They get additional education or training and then start a second career. This could set your retirement savings plan

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<sup>1</sup> Smith, Liz. SmartAsset. December 10, 2019. “The Average Cost of Raising a Child.” <https://smartasset.com/retirement/the-average-cost-of-raising-a-child>

back temporarily, but could then spring it forward with an increase in earnings and the ability to save more later.

Some people get out of the starting gate early and others pick up the pace later in the race. But remember to try not to get distracted by everyone else; everyone runs their own retirement race. No matter where you are in age, it is important to put together a budget that will help you understand and prioritize where, and on what, you are spending your money. The best way to start saving is to spend less than you earn over a long period of time and invest the difference. Sounds simple, right?

I remember a conversation with a younger client of the Firm during an annual portfolio review. He had diligently started saving for retirement a few years prior and could see his savings start to build. He had made regular contributions to his retirement accounts over the years, but also saved a large sum of money on the side to add to his portfolio. Once he made the additional investments from those savings, he proudly stated, “I feel like I am now in the race.”

This book is designed to help you plan, run, and finish your personal retirement race. It will provide you with some retirement investment strategies and concepts, no matter where you are in your retirement race. These strategies and concepts can also be helpful to you if you have already reached retirement and technically have *finished* your retirement race. I think it is fair to say most people who cross the retirement finish line don't want to get back into the retirement race. As a financial advisor specializing in helping people who are close to or currently enjoying retirement, I have seen a lot, learned a lot, and worked on hundreds of retirement plans over the years for many great individuals and families, and I'd like to share some of my experience and knowledge with you. So please join me now for the next several chapters on our individual journey and race to retirement.

Achtung, fertig, los . . . ready, set, go!