

# PERSPECTIVES

S U M M E R 2 0 2 2 E D I T I O N

## RETHINKING RETIREMENT

*How does your strategy stack up to these myths?*

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## BACKYARD BUNGALOWS TO CAPTIVATING COTTAGES

BUILDING YOUR IDEAL HOME ADDITION

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Sip away the summertime with our family-friendly beverage recipes

## FAMILY-FRIENDLY SUMMER COCKTAILS

### *Building Your Ultimate Smart Gym*

Bringing the future into your home gym



ROBERT JAVENS  
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# SUMMER WELCOME



Hello Everyone,

Summer is here, which means the weather will be perfect for outdoor activities and family togetherness. We've pulled together some resources for you to enjoy, hopefully from your hammock.

While you're getting outdoor exercise right now, once summer is gone, your fitness goals might head back indoors. "Building Your Ultimate Smart Gym" takes a look at setting up a workout regimen for the home. When it's time to relax, kick back and mix yourself a "Perfect Family-Friendly Summer Cocktail."

In "Backyard Bungalows to Granny Flats," we look at adding an accessory dwelling unit to your home. You'll learn what pitfalls to avoid when making this step, as well as a few helpful tips.

While retirement means many things to many people, it also comes with preconceived notions and outdated ideas. In "Rethinking Retirement," we'll take down a number of less-than-helpful myths about the golden years.

Remember, we're here to support you through this season of your life and beyond. Please feel free to reach out to us anytime, and of course, enjoy the summertime!

Warmly,

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# SUDOKU

8	4	5		7	6		1	2
	2				3			7
	3	7	1		8	4		5
5	1	8		4	9		3	
7		2	3	8			4	
3		4	6				7	
		1	2	9			8	3
2	7		8	6	1	9	5	4
	8	9	5				2	1

## SUDOKU

Sudoku, or “single number,” is a logic-based number-placement puzzle. The objective is to fill a 9x9 grid with digits so that each column, row, and 3x3 sub-grid contains all the digits from 1 to 9 only once.

	7		6	5				9
			9	3				
9		8	7			3		
	9	3	8		6			4
5	2		1				7	8
1	8	6			4			2
2		5			7			
8		9			5	4		7
6		7	4			5		





# RETHINKING RETIREMENT

**How does your  
strategy stack up  
to these **myths**?**

Time flies. Before you know it, your retirement years will be right around the corner. Whether you've been working with a financial professional or diligently saving towards retirement on your own, there may be some ideas you've been taking for granted. Touted as conventional financial wisdom, some retirement-focused conversation points are actually outdated myths that you might want to explore.

Read on to learn about three erroneous assumptions many people hold, and what savvy investors should think about instead.

## *Myth I:* “I’ll retire when I choose.”

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Many people assume they will exit their career on their own timetable. In fact, this is one of the most prevalent retirement myths. Workers often assume they’ll retire at 65 and continue to work part-time in retirement while gradually transitioning to fully-retired status.<sup>1</sup>

But for many, this couldn’t be farther from the truth. The 2021 Retirement Confidence Survey showed a disparity between when workers think they’ll retire and when they actually do. While 65 is the expected retirement age, research shows that the actual average retirement age is three years sooner, at age 62. As many as 59 percent of workers expect to transition into retirement by gradually reducing their work hours. In reality, only 19 percent of workers achieve this. Health issues or organizational changes often make earlier retirement non-negotiable.<sup>1</sup>

Most people also overestimate how much time they’ll spend working during their retirement years. While 72 percent of workers say that they expect to work after retiring, only 30 percent of retirees report actually working for pay. If your retirement strategy depends on your ability to earn additional income during retirement, consider a backup plan in case things don’t go the way you’re expecting them to.<sup>1</sup>

## *Myth II:* “I’ll withdraw 4% of my retirement funds each year.”

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You might have heard of the 4 percent rule, the concept that retirees should plan to withdraw 4 percent of the funds in their retirement account balance for each year of retirement. The truth is, figuring out how much money you can or should withdraw each year from your retirement account is a complicated calculation that’s often best left to a financial professional.<sup>2</sup>

Opinions vary, and your strategy should always take into account your unique situation. For example, some research suggests that 3.3 percent is a better goal than 4 percent. That means, assuming a \$1 million account balance, you’d withdraw \$33,000 instead of \$40,000 during your first year of retirement. A \$7,000 annual difference could present you with significant budgeting decisions to make.<sup>2</sup>

The 3.3 percent rule is calculated in a conservative fashion; it assumes that 90 percent of retirees will have enough in their retirement account for a 30-year-retirement. With the help of a financial pro, you might make some simple tweaks to the calculation that can help you estimate what’s possible for you a bit more accurately.<sup>2</sup>

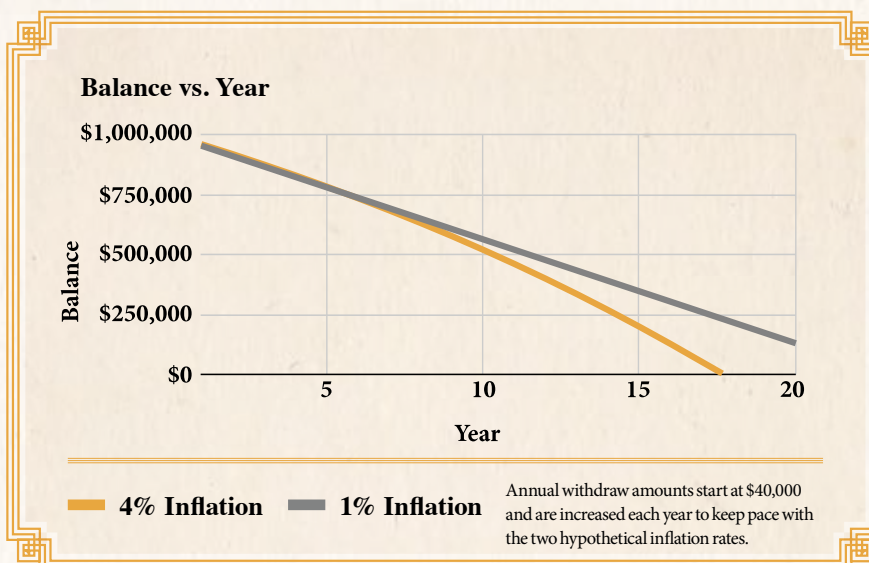




## Myth III: “I need a million dollars to retire.”

If you’ve been on social media lately, you might have seen posts that say you need a minimum of \$1 million to retire. While a nice, round number always makes a good headline, one size doesn’t fit all. In fact, there are numerous factors to consider when estimating retirement needs. Inflation, for example, can have a large impact on your long-term strategy.

Let’s take a closer look at how two inflation rates can impact a million-dollar, all-cash portfolio. At a hypothetical 4 percent annual inflation rate, you would be able to withdraw an inflation-adjusted \$40,000 a year for almost 18 years before running out of funds. On the other hand, assuming an annual inflation rate of 1 percent, the same all-cash portfolio would allow for an annual withdrawal of \$40,000 a year for over 20 years.



Anything you have saved in your retirement account is better than nothing, but the more you can put away now, the more you may have later on.

So, what do you think about these myths? Have you found yourself buying into them? As always, we’re here to help, and we love to discuss topics like these. If you ever have any questions or financial concepts you’d like to explore together, please feel free to reach out.

1. ERBL.org, January 2021

2. CNBC.com, November 11, 2021. The 4% rule is a hypothetical withdrawal strategy used for illustrative purposes only. It should not be considered a substitute for a more comprehensive retirement withdrawal evaluation.



# Backyard Bungalows *to* Captivating Cottages

*Exploring Your Next  
Home Addition*





**M**aybe you've vacationed in an adorable backyard cottage, or shared a beachfront rental for a week with family and friends. Or maybe you just have fond memories of Fonzie's above-garage apartment on Happy Days. Either way, you've probably come across an accessory dwelling unit (ADU) before. In fact, you've most likely seen a few in your community without realizing it. Between 2009 and 2019, the number of first-time listings of ADUs grew an average of 8.6 percent year-over-year.<sup>1</sup>

These dwelling-spaces are projected to continue growing in popularity, making them the perfect solution for those who want to house loved ones nearby, or for homeowners looking to maximize their property's income potential. Before you start laying footers and pouring a foundation, here are some factors to keep in mind.

## *Growing in Popularity*

A number of factors have helped make ADUs a hit. For starters, ADUs can be a solution for those who want to downsize while holding on to their family home. For example, you can design an ADU to meet your needs, then rent out your primary residence. ADUs also increase housing diversity in already-developed residential areas, often providing much-needed affordable housing solutions.

Another reason for ADUs popularity may be a increased interest in multi-generational living. Younger families can build an ADU as a potential home for their aging relatives, either as a permanent dwelling or a comfortable place to accommodate extended visits.<sup>2</sup>

## *Know Your Zone*

Remember that ADUs have some rules around who can build them, and where. Before anything else, it's important that you check your local building and zoning codes to determine if an ADU can be built. Although many communities have broadened their regulations to allow ADUs, some areas still require zoning approval prior to moving forward with permit applications. Other jurisdictions limit the type of ADU that can be used.



These codes can ultimately shape the design of the ADU, influencing everything from the height of the ceilings to the height of the structure itself, not to mention details like required parking, the location of the front door, or how the sewer and water connect to the municipal system.

Even those with larger lots to work with may be surprised by their local regulations. Although larger lots can generally accommodate larger attached and detached units, there is usually a cap on the dimensions and square footage, which varies by location. In some instances, a minimum ADU size is also stipulated.

Finally, be sure to research occupancy rules. These can dictate whether you're required to live on the property, often referred to as "owner-occupancy," as well as how many people can live in your ADU. Regulations may also specify requirements around renting, such as maximum rental rates or prohibiting short-term rentals of ADUs.<sup>2</sup>

# So, what is an ADU?

An ADU is a residential unit located on the same lot as a single-family home. These independent homes have their own entrance, living space, a full kitchen, bath, and sleeping space. In short, they're a full home but on a smaller scale than your main residence. There are three types of ADUs:



**Detached ADU** — A stand-alone unit separate from the main house. Imagine a unit above or attached to the garage or a smaller structure in the backyard.



**Attached ADU** — An addition connected to the main house. These units have a separate entrance on the side or back of the house.



**Interior ADU** — A separate unit located inside the main house, typically an attic or basement suite (sometimes called a garden suite). Although converting an existing space to meet requirements is most common, some interior ADU projects go the extra mile, lifting a house or digging further beneath it in order to accommodate higher ceilings and more natural light.



**Junior Accessory Dwelling Unit (JADU)** — A smaller version of an ADU, coming in at 500 square feet or less. Unlike ADUs, JADUs must be attached to or inside an existing structure, and they do not require a separate bathroom if one is accessible in the main dwelling. Some jurisdictions allow both an ADU and a JADU on one property.<sup>3</sup>



## *Location, Location, Location*

If you're planning on renting your ADU out, location makes all the difference. As housing and rental markets continue to heat up, you could hypothetically fetch \$1,500-\$3,500 a month for 1- or 2-bedroom unit. As for the cost of construction, consider this an investment on a future return. You can use the money you make from your new rental property to pay down your mortgage more quickly, increase your retirement savings, or explore other investment options.

As long as ADUs remain a hot item, owning one can bolster your property value, as many vacationers or longer-term renters may prefer an ADU over a larger home or apartment. Plus, companies like Airbnb and VRBO have helped to make managing a short-term rental simpler than ever.<sup>4</sup>

The companies mentioned are for illustrative purposes only. It should not be considered a solicitation for the purchase or sale of the securities.



## *Building a Dream*

Finding the right ADU for you is an important step, and a team of supporters can help you get the job done. Before anything else, check your local zoning and building regulations. Getting estimates from a building contractor (or several) is also a smart move. Make sure you're clear on how you'll use the property, too. Will you rent it out, live in it yourself, or reserve it for family visits? With some careful planning, you can maximize your property and maybe even build toward other dreams at the same time.

1. BHG.com, August 23, 2021
2. BobVila.com, March 10, 2021
3. BobVila.com, March 10, 2021
4. UnitedDwelling.com, December 2021



# FAMILY-FRIENDLY SUMMER COCKTAILS

## BEAT THE HEAT, DELICIOUSLY

At last, summer is here. While air conditioning and rotating fans keep us cool indoors, warmer weather also means more outdoor activities. Here are some delicious summer concoctions to enjoy along with your summer fun. The perfect summer drink is ice-cold and refreshes you completely.

## INFUSED WATERS

Adding simple items like mint, lemon, cucumber, and other garden-grown items to a pitcher of water can be extra refreshing when temps are high. The addition of fruit can make getting enough water through those extra-dehydrating summer days a bit more tasty. Infused water is as refreshing as it is simple. Try experimenting with different fruits and herbs for exciting combinations. Basil and watermelon, for example, can make a delicious pairing.

## SUGAR AND BUBBLES

Many summertime favorites involve bubbles, sugar, and sometimes caffeine. If items like juices and sweet sodas are only an occasional treat for your family, you might want

to experiment with some of the popular fruit-flavored carbonated waters in Farm-Style Summer Punch, or even dilute the juice so that there's less sugar per serving. That said, the combination of grape and grapefruit flavors does the trick when it comes to matching the summer mood.

## A COCKTAIL IS A BALANCE

It's hard to beat the two all-time classic summer thirst-quenchers: lemonade and iced tea. But when you combine them, you get something special: the Arnold Palmer, named for the famous golfer. A tall, icy Arnie is refreshing and versatile. You can sweeten it with sugar, artificial sweetener, or natural sweeteners like Stevia or even maple syrup. Not only that, but the ratio is up to you, as well. While many opt for half lemonade, half tea, we like the balance set out in the recipe below.

Whatever your family's favorite summer drink might be, don't be afraid to get creative, try new variations, and see what works. The best one? It's the one they keep asking for, of course!

## FRUIT-INFUSED WATER

### Ingredients

- 5 cups water
- 1 cup ice cubes optional
- 1/2 cup honeydew cubes
- 1 cucumber thinly sliced
- 10 fresh mint leaves torn

### Prep

1. Arrange fruit and leaves in a large pitcher.
2. Add ice to preference.
3. Fill pitcher with water.
4. Garnish, as desired, with remaining fruit and leaves.



## THE ARNOLD PALMER

### Ingredients

- 1/4 cup lemonade
- 1/2 cup iced tea
- Lemon slice, for garnish
- Ice

### Prep

1. Pour lemonade, iced tea into a tall, ice-filled glass and stir well
2. Garnish with a lemon slice.
3. Enjoy!
4. FORE!

## FARM-STYLE SUMMER PUNCH

### Ingredients

- 64-oz bottle of 100% grape juice
- 2-liter bottle of grapefruit-flavored soda  
*(For lower-sugar version, use 5-6 cans of grapefruit infused seltzer water)*
- Ice

### Prep

1. Chill all beverage containers overnight.
2. Half-fill pitcher or punchbowl with ice.
3. Take bottles of juice and carbonated beverage and pour them together slowly over ice. (One to one is traditional, but you can dilute or balance to your taste)
4. Pour any remaining carbonated beverage into the remainder of the juice and refrigerate until needed.
5. Stir carefully.
6. Pour over ice and enjoy.





# BUILDING YOUR ULTIMATE SMART GYM

Staying active can be one of the healthiest ways to take care of yourself at any age. And who doesn't enjoy a little self-care? However, just the thought of finding the right equipment, moving it into your space, and maintaining it all can be exhausting. Luckily, technology has made building a connected, compact, and effective home gym simpler than ever.

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## WHAT IS A SMART GYM?

What makes a piece of gym equipment “smart?” While there is no official definition, smart equipment generally offers features that enhance or guide your workout. Some examples include Bluetooth connectivity for heart rate tracking and headphones, a high-definition display to stream live classes, or, in some cases, an accompanying membership offering friendly competitions with other home gym enthusiasts. The great part about building your own home smart gym is it's highly customizable. Whether you're just starting your home-fitness journey or you already have a home gym you're looking to enhance, there are a slew of options to keep you at your peak.

## THE HOME (GYM) IS WHERE THE HEART IS

If you're looking to keep your heart strong and your endurance high, cardio equipment is perfect for your goals. Smart cardio equipment features a touch screen that allows you to connect to the manufacturer's service and stream both live and recorded workouts.

Remember, any companies mentioned are for illustrative purposes only. It should not be considered a solicitation for the purchase or sale of the securities.

## PELOTON SMART BIKE

You've most likely seen or heard of this brand before. What makes these bikes so great is the all-access membership they offer. This grants your entire household access to their own accounts and thousands of classes full of cycling, strength training, yoga, and more.<sup>1</sup>

## HYDROW CONNECTED ROWER

Imagine your normal rowing machine, but add a computer-controlled magnetic resistance system and an immersive visual and sound experience. This rower is the closest you can get to being on the water without leaving your home.<sup>2</sup>

## PROFORM PRO 9000 TREADMILL

If you've ever used a treadmill, you know it can get be a little boring. With the ProForm Pro 9000, though, you can stream both live and on-demand personal trainers to your screen who will lead you all around the world, automatically controlling your treadmill's speed, incline, and decline to give you a unique, hands-free workout.<sup>3</sup>



### PUMPING DIGITAL IRON

If you're looking for a more "all-in-one" option that includes strength training, guided classes, and cardio at a slightly higher price, these are some of the best of the best.

#### TEMPO STUDIO

In addition to a full set of weights and large touchscreen display, the Tempo Studio has AI technology that uses 3D Time-of-Flight sensors to capture your movement patterns and provide form corrections, rep counting, weight recommendations, and stat tracking.<sup>4</sup>

#### TONAL SMART MIRROR

Perhaps the most technologically advanced option on this list, the Tonal Smart Mirror's digital weight system is constantly making adjustments to deliver a smooth weightlifting experience, but without the bulk of traditional weights. Instead, by using magnetic resistance this home gym can deliver 200 pounds of resistance in a device smaller than a flatscreen TV.<sup>5</sup>

These are just a few of the many smart home gym options available right now. To truly find the best choice, it may be smart to do some research before starting your home fitness journey.

1. OnePeloton.com, 2022  
2. Hydrow.com, 2022  
3. Proform.com, 2022

4. Tempo.fit, 2022  
5. Tonal.com, 2022

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