HOLDEN & MICKEY, INC.

Investment & Insurance Advisors

Serving Clients Since 1930

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Here is a first look at a picture at Old Salem Bridge to be displayed on our updated website. The Moravian star (in the picture above) is often displayed at Christmas for many in Winston-Salem. But in the early days of the Covid lockdown in March 2020, many Winston Salem residents brought them back out and put them up as a sign of hope and community solidarity.

Pictured are the exceptional administrative team which includes Lynn Benton 22 years, Linda Long 11 years, Autumn Ryan 26 years, Camille Phillips 1 year, and Alesia Fulk 1 year. Partners John Mickey 46 years, Chip Holden 49 years, David Holden 19 years, Steven Davis 11 years, and Brian Holden 10 years.

About Us:

- *Holden & Mickey, Inc. designs, implements, and monitors financial plans for high net worth individuals. Our firm has been working with clients in this area since 1930. Holden & Mickey advisors are highly credentialed and multi-generational in their focus on wealth management.

Holden Mickey, Inc

336-724-1810
www.holdenmickey.com

Holden & Mickey Principals

Lawrence N. (Chip) Holden, CLU®, ChFC®
lholden@holdenmickey.com

John E. Mickey, CLU®, CLTC
jmickey@holdenmickey.com

David L. Holden, CFP®, CLU®, ChFC®, CLTC
davidholden@holdenmickey.com

Steven H. Davis, CEPA
sdavis@holdenmickey.com

Brian J. Holden
brianholden@holdenmickey.com

Getting (Mentally) Ready to Retire

Even those who have saved millions must prepare for a lifestyle adjustment.

A successful retirement is not merely measured in financial terms. Even those who retire with small fortunes can face boredom or depression and the fear of drawing down their savings too fast. How can new retirees try to calm these worries?

Two factors may help: a gradual retirement transition and some guidance from a financial professional.

An abrupt break from the workplace may be unsettling. As a hypothetical example, imagine a well-paid finance manager at an auto dealership whose personal identity is closely tied to his job. His best friends are all at the dealership. He retires, and suddenly his friends and sense of purpose are absent. He finds that he has no compelling reason to leave the house, nothing to look forward to when he gets up in the morning. Guess what? He hates being retired.

On the other hand, if he prepares for retirement years in advance of his farewell party by exploring an encore career, engaging in varieties of self-employment, or volunteering, he can retire with something promising ahead of him. If he broadens the scope of his social life, so that he can see friends and family regularly and interact with both older and younger people in different settings, his retirement may also become more enjoyable.

The Interests and needs of a retiree can change with age or as he or she disengages from the working world. Retired households may need to adjust their lifestyles in response to this evolution.

Practically all retirees have some financial anxiety. It relates to the fact of no longer earning a conventional paycheck. You see it in couples who have $60,000 saved for retirement; you see it in couples who have $6 million saved for retirement. Their retirement strategies are about to be tested, in real time. All that careful preparation is ready to come to fruition, but there are always unknowns.

Some retirees are afraid to spend. They fear spending too much too soon. With help from a financial professional, they can create a strategy.

Retirement challenges people in two ways. The obvious challenge is financial; the less obvious challenge is mental. Both tests may be met with sufficient foresight and dedication.

The Behavior Gap and Your Financial Health

How might it affect you?

"It turns out my job was not to find great investments but to help create great investors," writes Carl Richards, author of "The Behavior Gap." From increasing our budget mindfulness to taking a steadier approach to investing, Richards has drawn attention to how our unexamined behaviors and emotions can be to our detriment when it comes to living a happy and financially sound life. In many cases, we make poor financial decisions when experiencing panic or anxiety due to personal or widespread events. [1]

The Behavior Gap Explained. Coined by Richards, "the behavior gap" refers to the difference between a wise financial decision versus what we decide to do. Many people miss out on higher returns because of emotionally driven decisions, creating a behavior gap between their lower returns and what they could have earned.

Excitement When Stocks Are High. Whether in a bull market or witnessing the hype from a product release, many investors may feel tempted to increase their risks or attempt to gain from emerging investments when stocks are high. This can lead to investors constantly readjusting their portfolios as the market experiences upswings.

Fear When Stocks Are Low. In response to market volatility, investors may feel the need to choose more secure investments and avoid uncertain or seemingly unsafe investments. When stocks are low, a typical response may be to sell and effectively miss out on potential long-term gains.

Short-Term Anxiety and Focus. As humans, viewing aspects of our lives through the lenses of current circumstances is normal. However, one emotional response to any event is letting the moment consume us. Many may find it difficult to think long-term and remember. However, making a rash decision can inhibit the long-term benefit of maintaining a balanced perspective without reactionary behavior.

The market can go up or down at any given point, or it can remain the same. One thing we can control is how we handle our financial strategy. Remembering the likelihood of recovery over time - and the market's nearly inevitable up-and-down movement - can provide a more logical angle to calm the nerves.

If you're experiencing financial anxiety in response to the markets, take a breath and remember the potential for long-term gains. Of course, you can and should always reach out to your financial professional for further clarification.

Citations

1. BehaviorGap.com, May 16, 2022

Couples Retiring on the Same Page

Agreeing about what you want from retirement is crucial.

What does a good retirement look like to you? Does it resemble the retirement that your spouse or partner has in mind? It is at least roughly similar?

The Social Security Administration currently projects an average retirement of 18 years for a man and 21 years for a woman (assuming retirement at age 65). So, sharing the same vision of retirement (or at least respecting the difference in each other's visions) seems crucial to retirement happiness.1

What kind of retirement does your spouse or partner imagine? During years of working, parenting and making ends meet, many couples never really get around to talking about what retirement should look like. If spouses or partners have quite different attitudes about money or dreams that don't align, that conversation may be deferred for years. Even if they are great communicators, assumptions about what the other wants for the future may prove inaccurate.

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Are couples discussing retirement, or not? According to a recent survey by Fidelity, seven in ten couples say they communicate at least very well with their partner about financial issues. Couples that do communicate with each other are more than twice as likely to report that they expect to live a comfortable lifestyle in retirement. They are also more likely to report their financial household's financial health as "excellent" or "very good."2

If you're having trouble building a retirement strategy with your significant other, working with a financial professional may help. According to the same survey, couples that work with a financial professional are more likely to talk about money with each other, feel confident about their finances, and agree on their visions of retirement. This may explain why nearly half of all Baby Boomers work with a financial professional.2

Be sure to talk about what you want for the future. A few simple questions can get the conversation going, and you might even want to chat about it over a meal or coffee in a relaxing setting. Dreaming and strategizing together, even on the most basic level, gives you a chance to reacquaint yourselves with your financial needs, goals and personalities.

To start, ask each other what you see yourselves doing in retirement - individually as well as together. Is the way you are saving and investing conducive to those dreams?

Think about whether you are making the most of your retirement savings potential. Could you save more? Do you need to? Are you both contributing to tax-advantaged retirement accounts? Are you comfortable with the amount of risk you are assuming?

If your significant other is handling the household finances (and the meetings with financial professionals about a retirement strategy), are you prepared to take over in case of an emergency? When one half of a couple is the "hub" for money matters and investment decisions, the other spouse or partner needs to at least have an understanding of them. If the unexpected occurs, you will want that knowledge.

Speaking of knowledge, you should also both know who the beneficiaries are for your retirement plans, workplace retirement accounts, and investment accounts, and you both need to know where the relevant paperwork is located.

A shared vision of retirement is great, and respect for individual variations on it is just as vital. A conversation about how you see retirement today can give you that much more input to prepare for tomorrow.

Citations.

SSA.gov, 2022
Fidelity,com, 2021

Holden Mickey, Inc

Holden & Mickey, Inc
100 N Cherry St
Suite 500
Winston Salem, North Carolina
27101

www.holdenmickey.com

Tel:336-724-1810
Fax:336-724-2118