

vectors & viewpoints

A *lifeWealth*™ Publication

VECTOR: SMALL CHANGES MAKE A BIG DIFFERENCE

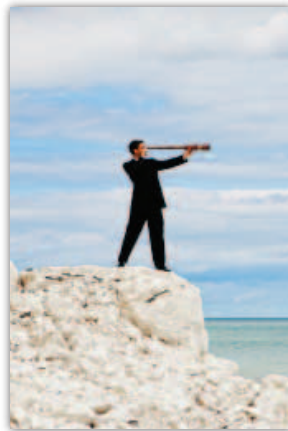
A Vision for the Future

By Jerry Foster, CFP®

Having spent the past twenty-two years building a business which helps others plan for the future, I would be remiss if I didn't do the same. Much like an individual planning for retirement, Foster Group is utilizing the expertise of partners, staff, and outside advisors to ensure a successful plan for many years to come.

With any good plan comes a vision of the future. When I envision the future for Foster Group, it is bright and ripe with opportunities to impact families in ways we can't even imagine today, which will result from good people carrying out the vision. I also see Foster Group seizing the opportunity to expand its borders with fully-staffed offices in the Quad Cities and Omaha, and possible expansion to one or two other Midwestern cities. This will create new opportunities for personal and professional growth for our team, as well as new opportunities to impact even more families and organizations. Ultimately, this means we will enjoy working beside more people (both our team and our clients) who desire to impact others, which truly is our mission and reason for being.

As I look at Foster Group in the years to come, I see a company that understands and conveys a sense of urgency to live a life of influence. We will strive even more to create fulfillment and purposeful living for each of our clients and will be more strategic in casting a vision for



generous living for ourselves and our clients. We will also be an organization that is intentional in community service.

This will all happen as a result of broadening our leadership and ownership. To this end, we have been very purposeful and will continue to develop the future leaders of Foster Group. Our greatest asset has been, and continues to be, the quality of our team. We will continue our goal of hiring only the best and expanding the services we provide through the first-class team we've assembled. What we are building isn't just for today. We are building a company that can impact generations to come and last hundreds of years either through our existence as a company or through the advice we give that will last well beyond us.

It is good to dream of your preferred future; without vision, we aim for nothing. It has truly been a joy to participate in the growth of Foster Group. I have always been a strategic thinker, having formulated written plans for the future that we are now living. Had we not been intentional in envisioning what we might look like, I wonder what we might have actually become. When I think about what yet lies ahead, I am excited about what might be and want to personally thank each of you for your part in making this journey so much fun. We all look forward to where it will take us.

EXIT PLANNING for Retirement

by Kent Kramer, CFP®



So, the day is drawing near—the day you decide to leave the workforce and head off toward something called “retirement.” Retirement has come to mean a variety of things. For some, it will mean leaving the work-a-day world entirely, headed for long-anticipated travel and other interests. Others may exchange one career for another type of employment, though at a much lower compensation level.

Whatever your definition or date, “retirement” represents a significant life transition that requires understanding and planning. Here are five key items to put on your pre-retirement financial checklist:

- 1. Health insurance.** This topic creates as much anxiety today as any. If you retire before age 65 it is likely you will need to purchase a personal health insurance policy. This policy should, at a minimum, bridge the gap until you are Medicare-eligible at age 65. Be prepared to spend \$1,000/month or more. Once you are Medicare-eligible at age 65, you will want to consider a “Medigap” policy (which pays for some of the costs that Medicare doesn’t) as well as select which Medicare “Part D” policy best fits your prescription drug profile.
- 2. Expenses.** Know your monthly and annual expenses. Many people know the amount of their earned income or salary; far fewer thoroughly understand their actual living expenses. It is very helpful to track actual spending for 1-2 years prior to retirement (if not much sooner!) to find out what you’ll need to live on. Foster Group has found that lifestyle expenses don’t usually decrease in retirement; if anything, they may increase for a few years, depending on special travel that may have been delayed.
- 3. Income.** Have the Social Security Administration run benefit estimates for you and your spouse at age 62, full retirement age (for current retirees, around age 66) and age 70. It often makes sense to wait to receive benefits until Full Retirement Age because of the increased monthly benefit. If you have earned a monthly pension benefit from an employer, ask for a projection of your monthly benefit and whether there is an inflation adjustment that may cause the benefit to increase over time.
- 4. Debt.** If you have a few years remaining before “the date,” make every effort to retire all remaining debt, including any mortgages, prior to leaving the office for the last time. Having fewer obligations makes for a stronger and more flexible retirement picture.
- 5. Investments.** Review and, if necessary, adjust the asset allocation of your investment portfolio. Understanding your retirement cash flow (Income less Expenses) enables you to project how much money you will need to withdraw from your portfolio monthly and/or annually. Foster Group recommends that you have at least five to ten years of projected withdrawals in relatively secure and liquid bond and cash investments. Ideally, you would want to begin adjusting your portfolio five to ten years in advance of retirement to create this “Lifeboat” of conservative assets.

Of course, there are many other considerations in preparing for your retirement transition. Some of the most significant are non-financial, including proximity to family and friends, adjusting to ordering your day when there is no start or stop time for work, choosing significant activities to which to devote your time, as well as the proverbial “bucket list” of things to do and places to go. At Foster Group, we have had the good fortune to consult and partner with many clients as they approach and enter retirement. We look forward to having that opportunity with you.



*After reviewing
their newsletter,
Roger & RoseAnne
Rinderknecht pause
by the Ngorongoro
Crater in Tanzania.*



Institutional Services

While the majority of Foster Group clients are individuals, we also provide service to a number of organizations across the country. From corporations to non-profits, trade associations to foundations, we work with nearly sixty institutions holding in excess of \$170 million under our direct management.

Institutional investment committees and trustees shoulder significant responsibility. Foster Group partners with these decision-makers, providing guidance on the investment of their assets, whether reserve accounts, endowments, grants or group retirement plans. As a fiduciary, we provide education on best practices and help committee members understand their roles and accountabilities. The end result is organizations better equipped to make good decisions about the financial resources vital to their mission.

Regarding our role with institutional clients, Foster Group partner Ed Green says, "Foster Group brings value to our institutional clients by sharing in their fiduciary responsibility. We provide an academically-defensible investment process that helps the organization assess the suitability of their portfolio allocation. In addition, our disciplined portfolio management structure frees key personnel and board members from day-to-day investment decisions, allowing them to focus their valuable time on advancing the mission of the organization."

Future newsletters will continue to highlight our organizational service offerings in greater detail. If you're aware of an organization that might benefit from Foster Group's services, please feel free to give us a call!

FOSTER GROUP NEWS

Congratulations to our own Travis Rychnovsky, who was named to the Business Record Forty Under 40 class of 2011!

The Business Record, published in Des Moines, started the Forty Under 40 award recognition in 2000. This elite class is made up of individuals who work as professionals and volunteers to improve the quality of life for the Greater Des Moines community. Each recipient must first be nominated by a community member. Nominations are then reviewed by Forty Under 40 alums, and new award recipients are selected based on both professional success and civic contribution.

Travis oversees Foster Group's Client Services Team, as well as our Information Technology Group and Operations Department. Since joining the company in 2004, he has developed and implemented cutting-edge technological tools which have proven invaluable in creating the efficiency and quality of service our clients have come to expect. In his free time, Travis volunteers for the United Way of Central Iowa through its Emerging Leaders Initiative, and the Children and Family Urban Ministries' Backyard Boyz program, where he tutors boys in grades 6-8.

Special recognition also goes to Christina Amys, Partner at Capital Ideas and Foster Group client, and Brooke Foster, Executive Director of the American Heart Association of Des Moines and daughter of Jerry Foster, who were also named to the 2011 Forty Under 40 class.

We applaud you, Travis, Chris, and Brooke, for your hard work and contributions to our community!

MISSION

We are catalysts for positive life change, providing financial solutions that reduce complexity and establish a high probability of success.



Continuing our series on client generosity, we were privileged to speak with Dr. Dale Andringa, retired Vice President and Chief Medical Officer for Wellmark, who told us about his involvement with Partners Worldwide and shared his philosophy of life after full-time employment.



FG: Dale, first of all, tell us a little about Partners Worldwide.

Dale: Partners is "business as mission." Its focus is to identify people in various parts of the world who have had experience running or working in successful businesses. These people partner with local budding entrepreneurs by providing them with mentoring and training. We also have a more formal training program which is usually conducted by in-country employees of Partners. The focus of the organization is less on micro-businesses, but more on significant businesses which employ multiple people.



FG: Tell us about your specific involvement.

Dale: I am on the Board of Directors, currently serving as the Chair Elect. We oversee the various programs and assure that the organization's finances are managed appropriately. I am also involved more specifically in helping develop a partnership in Guatemala.



FG: How is this organization different?

Dale: While immediate "relief" is very important, our organization comes in and begins rehabilitation with a long-term goal of further development and establishment of businesses which can sustain themselves for years into the future.



FG: It sounds like you have a real passion for helping people and making the most of your life. Can you explain your philosophy?

Dale: Before retirement, I spent a lot of time planning for this time of life, going beyond the financial aspects. Being employed is very grueling and time consuming. One of the things that keeps you going in the full-time role is to be thinking about what you're looking forward to

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doing in next phase. I actually learned a lot from Jerry Foster's book, *LifeFocus: Achieving a Life of Purpose and Influence*. In this type of retirement planning, you begin by identifying those unique skills and gifts which you possess. Taking that a step further, you figure out which of those skills energize you and focus on doing those things. In my case, I enjoy more of the visionary aspects of business, as well as networking to identify people who would be good to connect with a project. Both of these are vital parts of Partners Worldwide, and this is how I feel I can make the most effective contribution.

This phase of life is great. Being involved with Partners during retirement also allows me flexibility for time with my family, especially spending time with my grandchildren and traveling with my wife.

Q | **FG:** *How can others become involved with Partners Worldwide?*

Dale: Go to the Partners website at: partnersworldwide.org, or people may e-mail me at djandringa@gmail.com, and I will be happy to visit with them.

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