I WANT A CHANGE; CAN I AFFORD IT?

Here we look at Martin, an individual in his forties who is currently employed in a well-paying job that he finds unrewarding. He wants a change of direction and is interested in exploring the possibility of transitioning to a less demanding job that offers greater fulfilment. However, he wants to ensure that he can maintain a comfortable retirement despite potentially earning a lower income.

Existing Financial Foundation

Having worked for several years in his current position, Martin has accumulated a good level of pensions and savings. This provides a strong financial foundation from which to explore alternative career paths.

We conduct a comprehensive analysis of Martin's financial situation to evaluate his retirement prospects with a potentially lower income. We discuss Martin's goals and objectives to understand his desired retirement lifestyle and income requirements. This includes exploring current expenses and any anticipated changes that may arise in retirement.

As part of this we review his current pension arrangements and savings to assess their adequacy in providing for a comfortable retirement. This includes considering their costs and charges, investment performance, tax efficiency, contributions, and any necessary adjustments based on the potential new career path.

Demonstrating Retirement Feasibility

We create a detailed retirement plan that considers Martin's existing financial resources, potential income from the new job, and projected growth of their investments. Through cash flow analysis, we demonstrate the feasibility of retiring comfortably despite the potential income reduction.

Helping Meet Retirement Goals

We propose some changes to the structure of Martin's finances to help meet his new financial goals and risk tolerance. He had a large amount of money invested outside of his pension that he had earmarked for retirement. We demonstrated the benefits of adding this to a pension rather than keeping it separate.

Martin also had three different pension plans. Separate plans meant that he was paying more than he needed to and it was hard to get a good idea of his investment position. It turned out Martin had a high-risk tolerance but was invested in very low risk investments on average. The result was he would be expected to fall short of his goals if he remained invested as he was. We consolidated his plans and invested in line with his risk tolerance. This resulted in a reduction in charges and an increase in the rate of growth of his investments.

Conclusion

By thoroughly evaluating the Martin's financial situation, retirement goals, and career aspirations, we demonstrated that it was possible for him to move to a less demanding job while still retiring comfortably. Through careful planning and strategic investment management, we assisted in achieving both career fulfilment and financial security.