

# The CPA Advantage Series Video #6 | A Clear-Eyed View of the Options | Video Transcript

Andy Bertke, CPA & PFS | Director

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Andy Bertke:

When we do a retirement plan, we can put on our accountant hat and we can budget. That's what we do as accountants, we budget, we can say, "If you live within this budget, your model, and we can do different scenarios at one time, your model will survive." We have software that will compare an infinite amount of scenarios. And yeah, we throw in new cars and we throw in vacation. We're accountants, we work a lot, but we like vacations too and we understand that our clients do. So we budget for that. Once you retire, for the most part, you're on a fixed income. And we have to be cognizant of that.

Andy Bertke:

And we don't use outrageous returns to make things work. We know what returns are historical. We know that those will likely continue into the future, but there's no guarantee. But we develop a plan that if the person needs to continue to work for several years, we're not shy about saying what's got to happen. That's the conservative nature of the accountant. The accountant hat says, "We plan for the worst, but we hope for the best." And we're not going to show pie in the sky returns to make things work. We're going to be real about it.

Beth Germann:

So that's it. You were talking about the tools that we have. And any of these tools, any other investment advisor would have something similar. But what we're really aware of is what those future expenses would be from a tax perspective and be able to give some good input on what buckets could be used. So there's tax deferred and there's taxable accounts. And it's really a good idea to have both. And it's okay to know that sometimes there will be tax generated from the use of taxable accounts, and that letting a tax deferred account grow, and we can really walk through what that's going to look like in a current year and future years down the road. And it's so nice to have an illustration that shows that, that shows what the value of your plan looks like in future years to make some of those decisions.