

You are a middle-aged man. You have two kids whom you are planning to put through college and you own two homes. You are also at a very important time in your

life: you are preparing for retirement. Because of your situation, you need to try to get all of your debts and mortgages paid off quickly, so that you can start saving for retirement. I would strongly recommend that you start renting out your summer house in New Hampshire. A typical price in that lakes region area would be something like \$1500/week or \$250/night. You may also want to browse the Internet for other prices in the area and/or meet with a local realtor to discuss prices. You also told me that another one of your goals is to retire in this summer house. You should seek to get the mortgage paid off on your primary home in Weston fairly quickly so that you can sell the house when the time comes and not have to worry about the debt. This time should be when both your kids are in college. To provide you with additional income, I recommend that you sell this house right after you leave your job and settle in New Hampshire. This will make it easier for you when you are retiring so you don't have to deal with the house. You may also want to have your spouse retire a few years before you instead of you both retiring at the same time. Don't worry about life insurance just yet, since you are both long lived.

I understand that you have started saving for your retirement at a rate of 20%/year for the past few years. You will also receive lots of social security but not enough to live off of. Although you are in the high-income range, you are still going to need to invest in a variety of different things because you are planning to put two smart kids through two good colleges (and believe me they will be expensive) and you plan to live a long time. Right now, you're more concerned about preserving the money you have than rapid growth. This is how most people of your age feel. They want to earn some income, but not have to worry about fluctuating conditions in the market. You should continue saving because it is really important at this time. Set aside a separate savings account for retirement purposes only if you have not already done so.

Because of your age and situation, proper asset allocation is essential. In terms of your assets, you should keep your current automobiles if they are in good condition. You may want to sell one or downgrade to a less expensive car depending on how you intend to make use of your transportation. Sell one or both of your motorcycles. Have a yard sale, or maybe auction some furniture. Try to sell anything that you don't need anymore. Maybe your kids have possessions that they no longer care for. You may want to check out [www.ebay.com](http://www.ebay.com) and read about how to sell things over the Internet.

You have also informed me that you are a low risk-taker. This is smart because you don't want to risk anything during retirement. You want to know that the money you deposit will be there at any time - for that house down payment, college funds or unexpected financial crisis. Increasing the lower-risk bond fund components in a portfolio is a very good approach. Since retirement is forthcoming, the income generated from bond funds may provide a key portion of your monthly cash flow. However since you expect to live a long time, you should vary your investments to include some of the more risky things like stocks and money market funds. Some stocks that you may want to look into which I think have the potential to do well at this time are those of construction companies and pharmaceutical or biotechnology companies. Perini corp



