BY JANE HODGES
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Carrie Brazil has saved consistently throughout her adulthood. At 39, she’s transitioned into a career in high-end appliance sales and earns annually close to six figures with base salary, bonus and commission.

But in the past few years, she’s financed some big life decisions: In 2012, she bought a fixer-upper in Southwest Seattle, and she used student loans to help fund a master’s degree completed in 2011.

An avid gardener with a green consumer sensibility, she’s unsure whether she should focus on pruning her debts or feeding her retirement nest egg.

“Like really need to know where to direct my money,” she says.

On the one hand, she knows that consistent investments are necessary if she’s to hit retirement age with adequate resources.

But she’d also like to whack her student-loan balance, replace her 15-year old Honda and renovate her 1978 home to enhance its appearance, energy efficiency and the yard, where she’d like to grow more of her food.

To get a professional opinion, Brazil completed an online survey to participate in a free financial makeover from a member of the Puget Sound Chapter of the Financial Planning Association. She was paired with Rachele Cawaring Bouchand, a certified financial planner at Clark Nuber in Bellevue.

So far, Brazil has socked away $156,000 in retirement and savings, and her home and other major assets are worth $337,000. She works for a small family-run business that contributes to a SEP-IRA for its employees, but the contribution can vary based on the business’s performance from one year to the next.

In addition to these resources, she has $30,500 in student-loan debt and many years of mortgage payments ahead, and is considering buying a hybrid car priced at about $20,000.

It will cost an estimated $30,000 to re-side, re-roof and replace windows at her home.

So Brazil was surprised — pleasantly — when Bouchand told her she could pause on retirement contributions (aside from accepting any employer-funded SEP-IRA contributions) until 2017 to fund a new car purchase and home improvements.

“I learned from talking to the planner that I’m still allowed to live and enjoy life while saving,” Brazil says.

“She also told me to hold off on speeding up student-loan payments unless I get a bonus or raise and want to use it that way.”

The good news that she can act sooner rather than later on lifestyle changes was countered by Bouchand’s request that Brazil analyze her budget to find any fat worth trimming.

“She’s typical of many people her age,” Bouchand said of the exercise. “She’s earning enough money to where she doesn’t track her expenses very closely.”

While Brazil acknowledged she has some expenses that are unavoidable — as a cancer survivor, her medical copays and prescriptions are costly — the exercise also revealed three areas where she could trim costs.

Continued on next page >
By lowering her monthly restaurant spending from $450 to $300 and her monthly entertainment/retail spending from $500 to $250, and by reducing her annual travel budget from $4,000 to $3,500, Bouchand noted that Brazil could unlock about $5,000 more per year to invest toward retirement — all while enjoying her home and budgeting to upgrade her car once each decade.

With more funds unlocked for future investing, Bouchand turned her attention to another way Brazil can maximize her retirement savings.

Brazil was surprised to learn that the institution where she had invested her retirement was charging management fees of 1.5 percent — and that comes atop fees charged by mutual funds and other investments she's made.

While her modeled rate of return in her current portfolio is 4.5 percent annually, that's before those 1.5 percent fees are deducted.

By moving her investments to a lower-fee discount brokerage — Bouchand recommended Vanguard — Brazil can save on fees and keep and grow more of her investment principal.

Based on Brazil's desire for a conservative investment approach, Bouchand said Brazil could potentially realize a 5.18 percent annual return due in large part to the reduction in account fees.

Once Brazil moves her funds to Vanguard, Bouchand plans to advise her on investment choices.

Based on her risk tolerance, this means 60 percent equities (stocks) and 40 percent bonds. Brazil had previously placed most of her money in bonds and cash, or, said Bouchand, very conservative target-date funds designed for investors nearing retirement. Those funds are focused on cash preservation, rather than growth.

The mix of small changes Brazil can make now — increasing her annual retirement investing, lowering account fees and shifting to a risk-appropriate set of investments with potential to deliver higher returns — will make a big difference later.

If Brazil continued her current approach, she could retire at 65 but would run out of money at 67. By taking her adviser's recommendations, she will be comfortable until age 90.

“This was a very healthy exercise that brought me a lot of peace and clarity,” Brazil says. “I thought I was ‘somewhat savvy’ about my money, but I had been putting a lot of trust in an adviser at a place that charged a lot in fees.”

Bouchand said Brazil's portfolio reveals an age-old investing adage: "Very small changes now can make a very big difference over time."