

Would You Rather be Rich or Wealthy?



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IN A RECENT MEETING with a new client, I asked him when he wanted to retire. “Never,” he said. “I love what I do.” So I rephrased the question: “When do you want to be financially well off enough that if you chose to retire you could?”

The difference between wanting or not wanting to retire at a certain age and being able to retire goes to the heart of the distinction between being wealthy and rich.

But isn't that just a matter of semantics? Aren't rich and wealthy the same thing?

Research the topic and you'll find a variety of definitions for both — and usually the terms are used interchangeably. Some define it by income, starting at \$100,000 annual earnings but more frequently at \$250,000 or more. A poll by [SeniorLiving.org](https://www.seniorliving.org) determined rich/wealthy was about net worth — at least \$2.3 million.

At HBKS® Wealth Advisors, we see a distinction between the two. A rich household enjoys a substantial annual income and all the trappings: multiple cars, a nice house — perhaps a second home — expensive schools for the kids and travel to exotic destinations. Wealthy, however, is about having enough money to maintain your lifestyle without working. The amount of money you have is not what determines whether or not you are wealthy; it's having enough to not have to earn more.

Two things work: people and money. If you are in your accumulation years, you want to put your money to work. In 1992, I met with a doctor just starting his career. He and his wife had the first of what would be three children. Over the years, they made more than enough money to live well. They also followed a financial plan that we updated every year. Now they are retiring. They were rich all those years; today they are wealthy.

At HBKS® we want to make our clients wealthy. So if they choose to retire, or they lose their job or business, or they live longer than they expected, or become disabled, they'll

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have enough money. We want to help them through the accumulation phase of their lives to being independent when retirement is available and work is optional. Our goal is to take them through living a rich life to enjoying a wealthy retirement.

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A founding principal of HBKS Wealth Advisors, Christopher Sorce serves clients throughout the U.S. from his offices in Erie, Pa., and Naples, Fla. As a senior financial advisor and principal of the firm, he directs a team of ten professionals, including five certified financial planners.

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