

Welcome to

Managing Your Retirement Income



Agenda

- I. What's different about retirement?
- II. How much will I need in retirement?
- III. What are my options for closing retirement income gaps?
- IV. How do I convert retirement resources into income?



I. What's different about retirement?

What are the primary risks you'll face as a retiree?

- You outlive your savings

1. Longevity Risk

- Your expenses increase faster than your retirement income over time

2. Inflation Risk

- Your health and long-term care costs become your largest expense

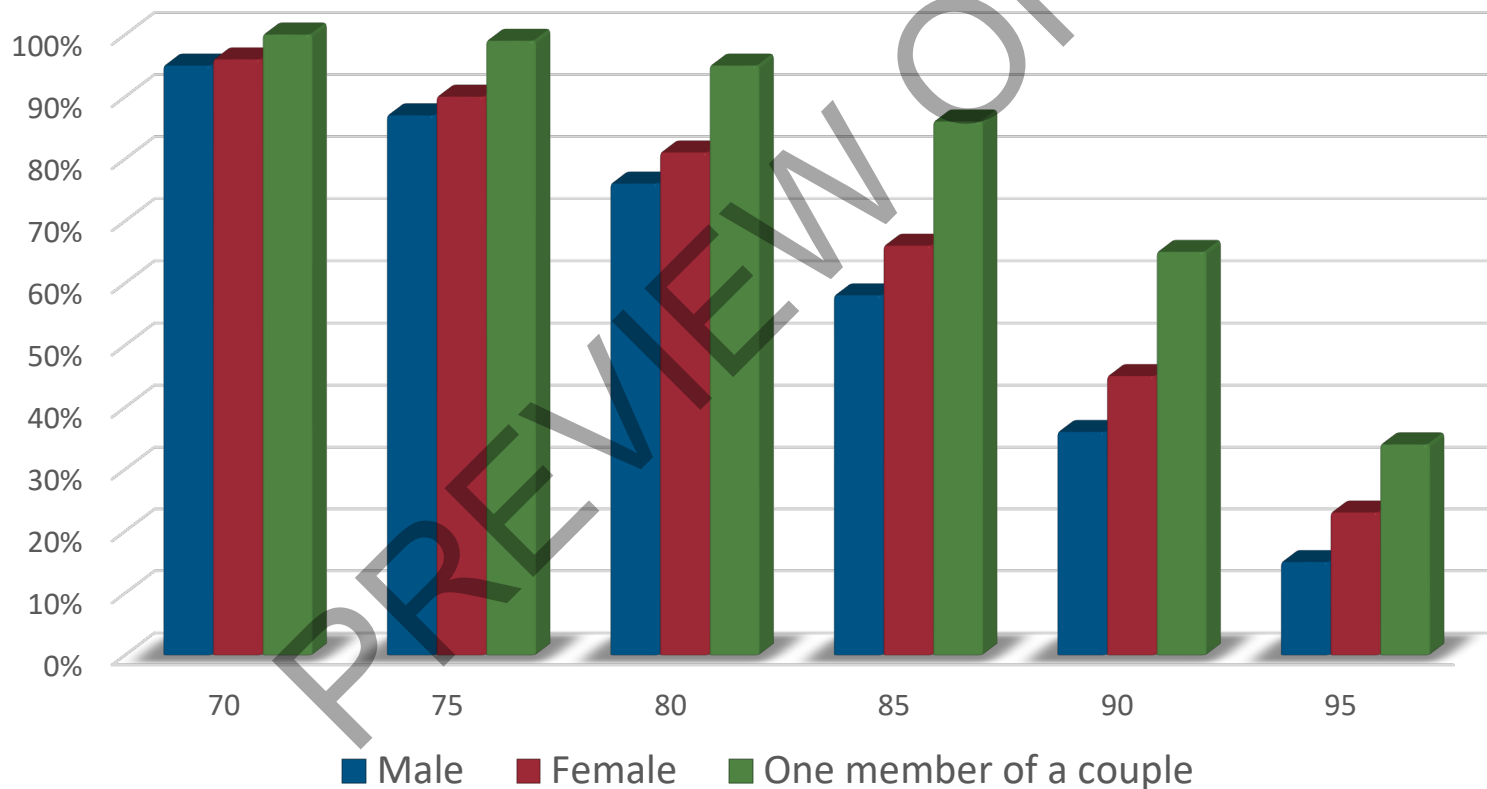
3. Healthcare Cost Risks

- Your investments' income and real values fluctuate and/or decline over time

4. Investing Risks

If married, what are the chances that one of you will live to a certain age?

Life probabilities at age 65



Lack of long-term care insurance can wipe out even the best-laid plans:

- Assisted living facility¹:
Median: \$64,200/year
 - Home health aide¹:
Median: \$75,500/year
 - Long-term care¹:
Median semi-private room
cost: \$104,000/year
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- Annual long-term care insurance cost²:
Age 55 – Male: \$1,750/Female: \$2,815
Age 65 – Male: \$2,600/Female: \$4,230

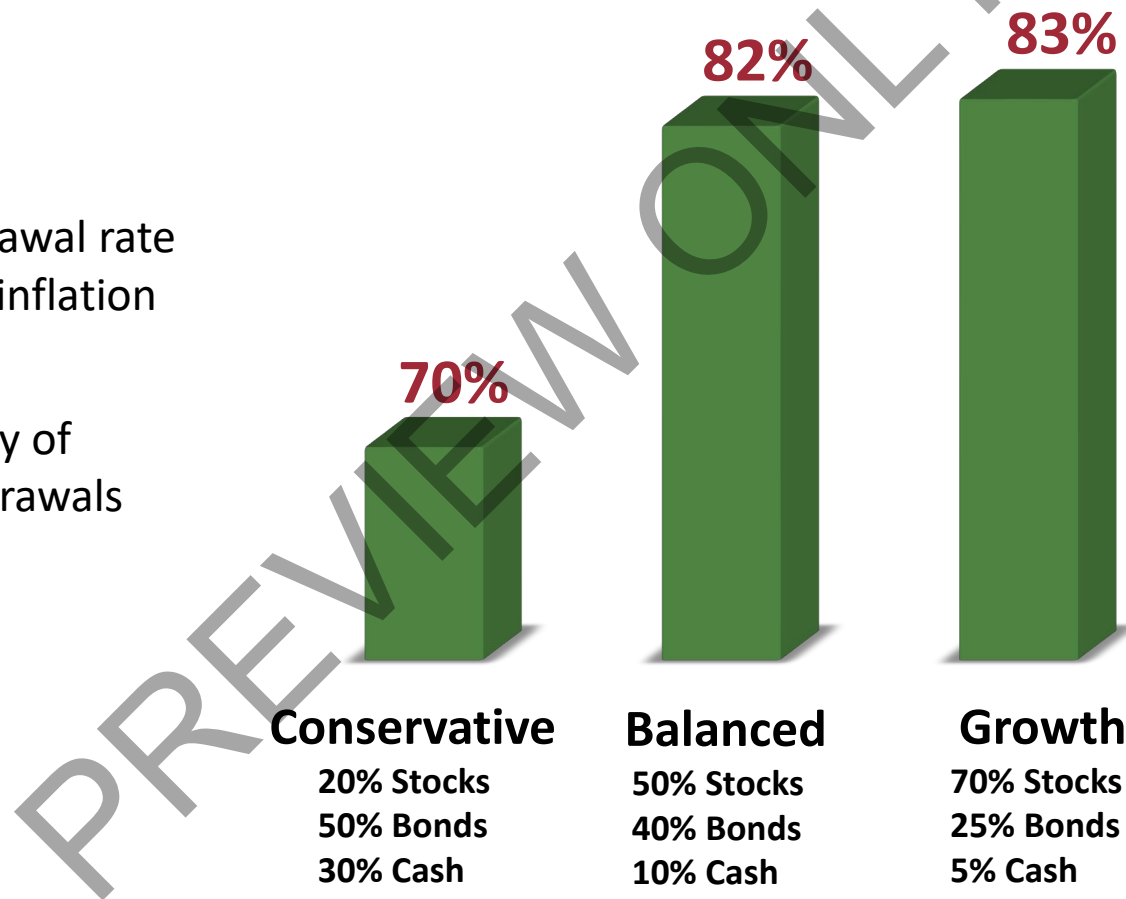


¹ Genworth Cost of Care Survey 2023; ² 2022 American Assoc. for Long-Term Care annual price index survey, \$165,000 initial benefit, benefit grows 2% yearly

4a. Under-exposure to stocks might increase the chance you run out of money

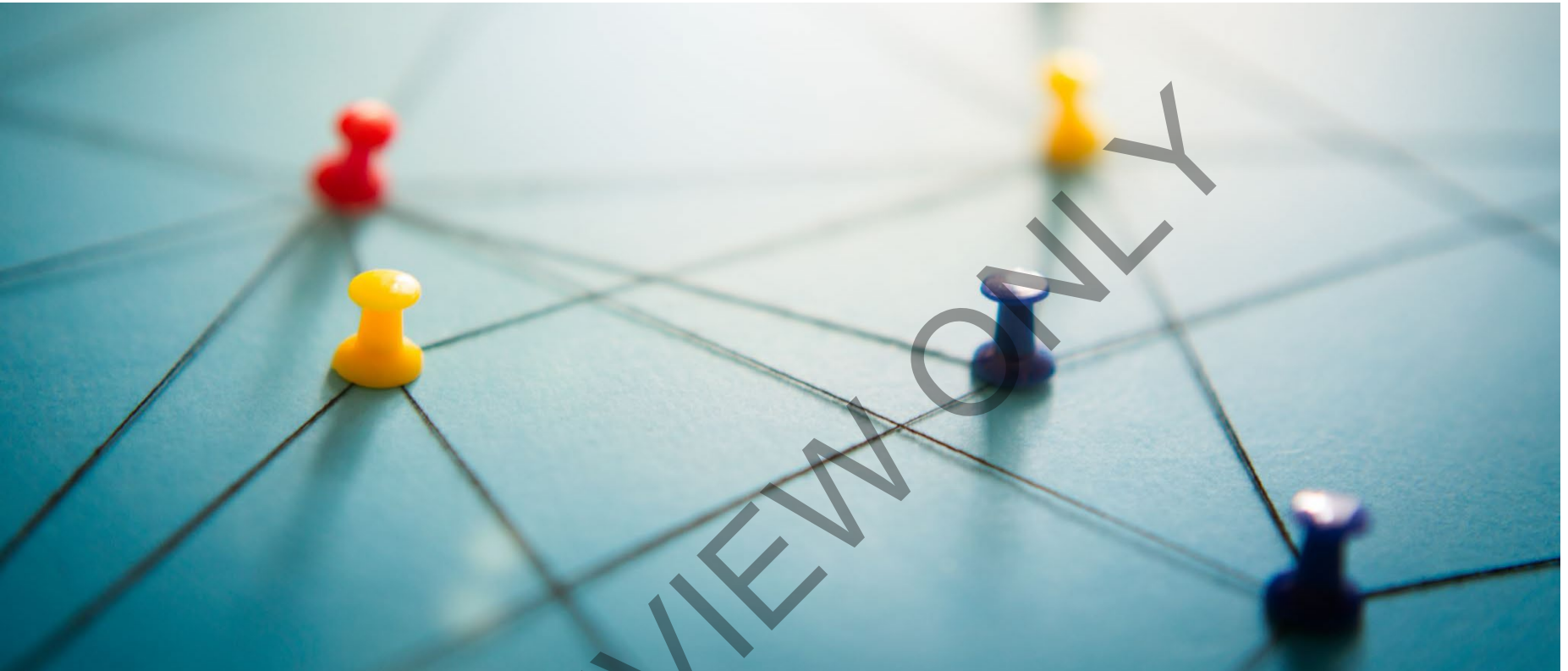
4% initial withdrawal rate
adjusted for 2% inflation
annually

Bars = probability of
sustaining withdrawals
for 30 years.



This is for illustrative purposes only and not indicative of any investment. Analysis assumes real average returns of 2.16% Conservative/5.82% standard deviation, 3.73% Balanced/9.47% standard deviation, 4.61% Growth/11.95% standard deviation. Past performance is no guarantee of future results.

Results may vary over time and each time the simulation is run. The likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and, are not guarantees of future results.



II. How much will I need in retirement?

Retirement Income Sources



1. Social Security

- When to start?

3. Personal savings

- Where to invest?
- Home equity when needed?

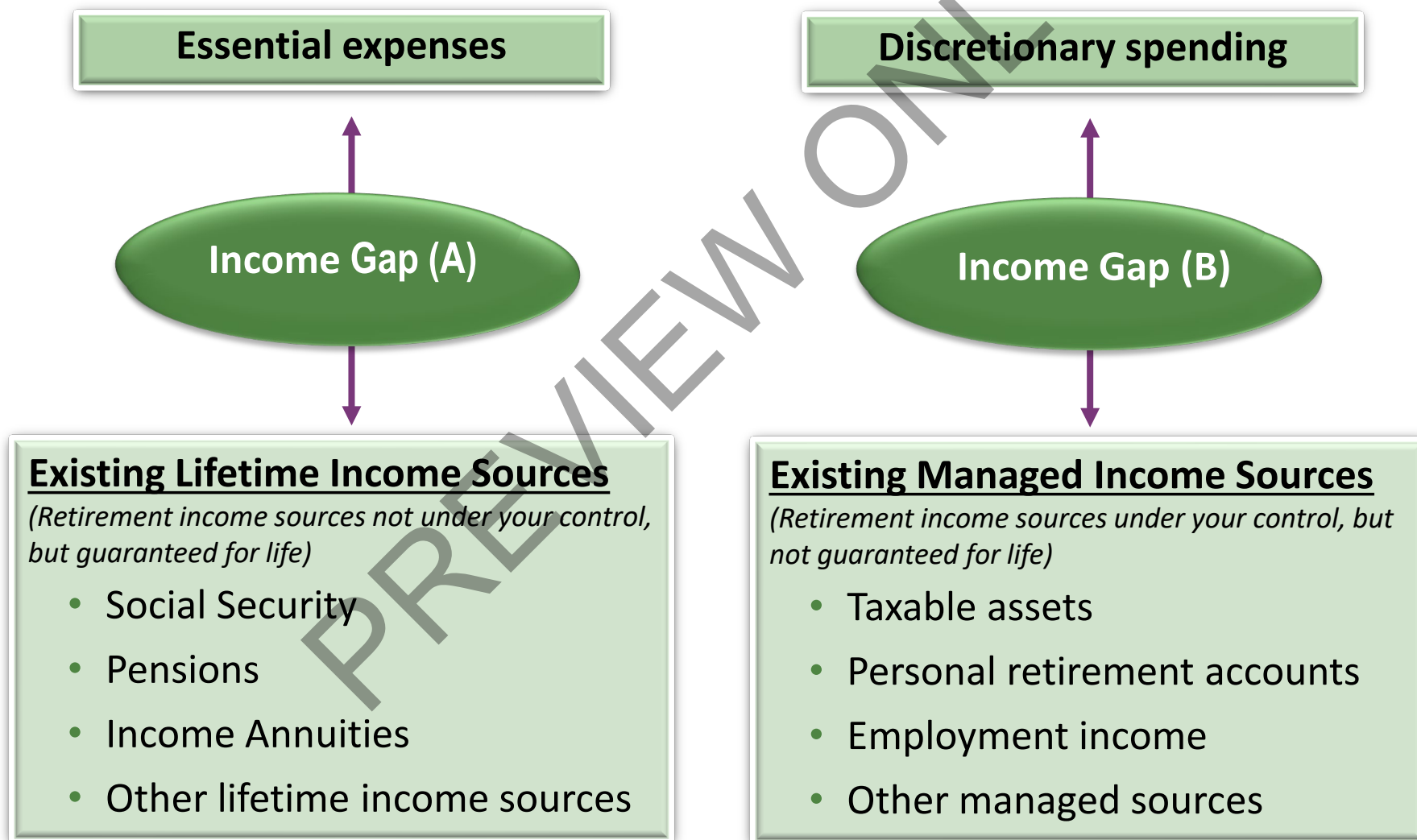
2. Employer-sponsored retirement plans

- How to take savings plan distributions?
- When & how to begin pension?

4. Work (wage income)

- Availability of work?
- Ability to work?
- Desire to work?

Creating a retirement income solution





III. What are my options for closing retirement income gaps?

Options for closing potential gaps between retirement resources and expenses

Priority	Options for Closing Gaps	Essential Gap	Discretionary Gap
☐	1. Increase returns on managed assets	☐	☐
☐	2. Create additional lifetime income	☐	☐
☐	3. Spend less in retirement	☐	☐
☐	4. Work full-time	☐	☐
☐	5. Work part-time	☐	☐
☐	6. Postpone Social Security and pension	☐	☐
☐	7. Increase savings	☐	☐
☐	8. Use home equity	☐	☐

One Option Will Lead to Another

- Options #4 and #5 - Work full-time or part-time
- Option #6 - Postpone Social Security and pension
- Option #7 - Increase savings

Result:

- Reduced number of self-funded retirement years
- Increased Social Security and pension benefits
- Additional savings and time for investment returns

Run the numbers!

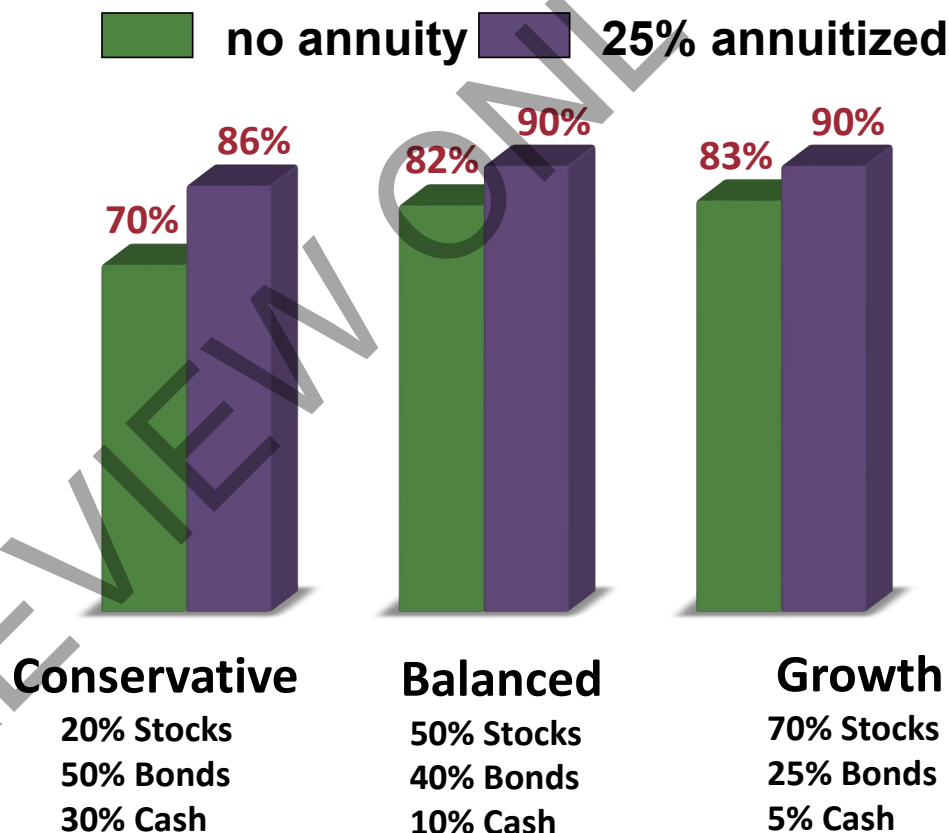


IV. How do I convert retirement resources into income?

A combination of SWP and annuitization may increase savings longevity

*4% initial withdrawal rate
adjusted for 2% inflation
annually*

*Bars = probability of
sustaining withdrawals from
non-annuitized portion of the
portfolio for 30 years*



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PREVIEW ONLY

