

WILL
YOUR
MONEY
LAST
AS LONG
AS YOU
DO?



WHY A RETIREMENT INCOME ANALYSIS
MATTERS FOR **YOUR FUTURE**





When your parents retired, they probably counted on substantial outside income to fund their golden years, including Social Security benefits and a corporate pension plan that also may have provided health benefits to retirees. While Social Security remains a crucial part of a retirement plan, pensions are dwindling and becoming a part of the American landscape of the past.

Instead, the responsibility for funding retirement is moving to the individual. Although there is a wide range of excellent ways to save — including 401(k)s, IRAs, annuities and more — many individuals find themselves questioning if they will ever be able to retire.

The key to a confident retirement today is twofold: **KNOWLEDGE AND ACTION**. Knowledge begins with a clear understanding of your financial picture, knowing where you're starting from and identifying your unique retirement goals. It's also important to grasp the challenges you might face during retirement. Action is taking steps to put you on the path toward your goals and overcoming the challenges that threaten to derail them.

Let's face it: the days of relying on Social Security and pensions to fund retirement are disappearing. As financial professionals, it's our job to provide a strategy that helps ensure your hard-earned money doesn't follow suit. Read on for a basic understanding of the financial challenges you may face down the road. Then, act on that knowledge by meeting with us for a retirement income analysis.

FOREVER YOUNG



Americans are living longer. On average, men who have reached age 65 can expect to live until age 84.3, while females who have reached age 65 live an average of 86.7 years. About 25 percent of today's 65-year-olds will live past age 90 and 10 percent will pass age 95.¹

We can thank a variety of factors for our increasing longevity. Advancements in medical technology, knowledge about fitness and nutrition, and access to vaccines and medicines have all played a role in adding years to our lives. Older Americans are also putting more life in those years; more retirees enjoy active lifestyles than ever before, counting travel, exercise, gardening and other physical activities among their hobbies.²

Longer lives means a need for income that will cover the additional years. While many retirees have eliminated some of the costs from their working years, living an active lifestyle often creates new expenses to add to the budget.

Women, especially, face challenges in creating income that spans retirement. Women are more likely to live alone in their later years.³ Despite an increased presence in the workforce, the average woman working full time still earns 80.5 percent of the income earned by her male counterpart.⁴ Studies show women are also more likely to take time off to provide caregiving roles to children, aging parents or disabled family members. Since Social Security benefits are calculated based on working years and salary, many women have reduced benefits.

How long will you live and how much money will you need to live comfortably until you pass away? If you knew the exact answers, planning for lifelong income would be a much more straightforward process. Instead, a solid retirement income plan must address a variety of possible scenarios, with the goal of striking a balance between maximizing annual income and ensuring you won't run out of money in your golden years.

Through a retirement income analysis, a financial professional can help you consider strategies for maintaining finances during retirement. The objective of this analysis is to explore methods for taking distributions from retirement accounts, potentially reduce tax liabilities and to determine how much income you'll need every month in retirement to help ensure your money doesn't run out after you stop working.

Average Life Expectancies Since 1960⁵

YEAR*	MALE	FEMALE
2015	83.0	85.6
2010	82.7	85.3
2000	81.0	84.0
1990	80.1	83.9
1980	79.1	83.3
1970	78.1	82.0
1960	77.8	80.8

*Average expectancy for individuals who have reached age 65 in the indicated year

“ The secret to living well and longer is: eat half, walk double, laugh triple and love without measure. ”
~Tibetan Proverb