Retirement Simplified

Roadmap

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Disclaimer – This roadmap gives information on issues people may want to consider in decisions of whether to buy an annuity, and should they decide to purchase, which type of annuity, annuity benefits, and additional riders may be suitable for their goals and needs. This information is general in nature and meant only for educational purposes. This information is not designed or intended to be a recommendation or any means of solicitation or inducement for buying any specific financial product or service. At certain points, content is reemphasized when relevant. This is done for educational purposes, when convenient.

This material should not be construed in itself as, and should not be relied upon for, investment, legal, tax, or accounting advice. Please consult a professional specializing in these areas for specific financial, legal, or tax-planning needs.

This roadmap includes references to studies and other sources. They can be found in the endnotes. If you would like to request a copy of any of these sources, please call us.

Please note any examples given within this roadmap are not company-specific, they are concepts given to help you understand how these products function. Contracts can vary and change. Not all annuity contracts, benefits, riders, and rider features may be available in your state.

At times, this roadmap refers to guarantees offered with annuity contracts. Please note annuity guarantees depend on the financial strength and claims-paying ability of the insurance company issuing the annuity contract.

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INTRODUCTION

Do you worry about running out of money in retirement? Many seniors and baby boomers we talk to mention this as their top concern. It's unfortunate. After many years of hard work, you should be able to look to a comfortable retirement – not a future with anxiety and doubt.

Of course, having enough money isn't the only retirement concern. There are additional challenges facing us: economic uncertainty, rising health costs, greater individual responsibility for planning, growing pressures on Social Security and other guaranteed government programs, to name a few… All of this raises the possibility of an underfunded retirement for many of us.

When speaking with people, we learn and find that many retirement plans are incomplete. They fall short of what they need for income, or they leave retirement assets too exposed to market risk. If neglected, these shortcomings could lead to costly setbacks or even financial disaster. Do you have the proper measures in place for your retirement lifetime?

The purpose of this roadmap is to help you evaluate the steps you have taken to prepare. Learn safe strategies to build a firm foundation, maximize retirement income, and safeguard your money from unnecessary risk.

It is my sincere hope that you find this resource helpful with evaluating your income and wealth protection strategies – and seeing if you can take any further steps to achieve your goals. As always, should you ever have any questions or input, please don't hesitate to contact us at 877.GROW.SAFE (877.476.9723). We wish you the best in your retirement success.

All the best,

Brent Meyer

ARE YOU READY FOR FINANCIAL RISKS IN RETIREMENT?

Today brings a new generation of retirement risks. These dynamics are uncharted territory – we are in a landscape which has never existed before. Because of the unknowns, we must work diligently and carefully to navigate this new terrain.

If you are in your fifties or sixties, now may be a critical timeline for your retirement future. Any financial decisions you make will impact the rest of your lifetime, no matter what your situation is or how long you live.

If you are age 70 or older, careful planning is still essential. Medical costs and other aging-related expenses rise as our health needs evolve. We will want to ensure we have sufficient income to pay for all those needs. Estate planning may be another priority. In that case, we will want to be certain the legacy we leave to our loved ones is as efficient and tax-advantaged as possible.

For those of us who are younger, this isn't to say retirement planning should not be a focus. Pre-retirees below age 50 are still in the accumulation stage. At this point, the timeline is longer for building up retirement assets and creating a strong foundation. There are other safe financial strategies, including or besides personalized annuity strategies, which can help you move toward those goals.

The point is that when you are nearing or in retirement, it is a critical juncture. If unplanned for, the new retirement risks can greatly erode your financial security or compromise your lifestyle. Now is the time to plan for your future, no matter what your age and situation are.

To recap from *The New Retirement Report*, some of the primary challenges facing seniors and baby boomers in retirement are:

- Record-setting amounts of Americans retiring – more pressure on Social Security, Medicare, and other programs.
- Longer life expectancies – more years to plan for and pay for in retirement.
- Lackluster economic conditions – sluggish recovery in the wake of the 2008-2009 financial crisis.

- Rapidly rising medical costs for healthcare, long-term care assistance, and other personal care services.
- Market uncertainty – retirement savings being exposed to losses when the stock market falls.
- Market timing related risk – Pulling assets out of the market too soon for recovery due to the possibility of further losses.
- Inflation risk – eroding your money's buying power over time due to increasing costs of goods and services.
- Low interest rates – meager returns on savings accounts, certificates of deposit, and other conservative investments.

Each of these risks is a potential financial pitfall – a "retirement peril" which can erode your income security in retirement. How prepared are you for these financial risks?

To answer this, it helps to contextualize these matters in the backdrop of today's economy – and why we must work hard to determine how to navigate this new terrain.

A New Era of Asset Management

In 2010, Bill Gross and Mohamed El-Erian, formerly of Pimco[1], touted a negative outlook for the global economy.[2] Gross and El-Erian are seen as some of the best money managers in the business. At the time, they had built Pimco to just over $1 trillion in assets under management – a record which rivaled the assets of big banks.[3]

Gross and El-Erian characterized their outlook as the "new normal," or an "era of below-average economic growth" following the financial crisis.[4] It was expected to be a period of mediocre gains and stagnant recovery.[5]

In 2014, Pimco laid out its expectations for the next three to five years, during which it recast its "new normal" thesis as the "new neutral."[6] Under this model, the new outlook was comparable to a car stuck in neutral gear.[7] As Pimco Executive Vice President Richard Clarida told reporters, "The 'new neutral' looking forward is a story about a global economy that isn't recovering, it's a global economy that is converging to trend rates of growth that will be sluggish."[8]

Think about that for a moment – expectations of growth similar to a car set in neutral gear. Based on present conditions, there could be a host of reasons for why we should be concerned. As noted in news articles on Pimco's revised outlook and Pimco commentary on global events[9]:

- Across the globe, central banks have gone full throttle in attempting to fuel recovery with low interest rates.
- If another recession rolled around, most countries would not have the room to implement new policies to counteract it.
- Interest rates are far below what they were set at before the financial crisis, and they may stay that way.
- Forecasts project economic growth to be sluggish – below pre-crisis growth levels.
- Uncertainty from geopolitical tensions, such as political risks in Europe, may lead to future negative "shocks," or adverse effects to different countries' economies.

In these times of stagnant growth, a market downturn would be impactful. Given this backdrop, the importance of being prepared for today's retirement risks – pitfalls which can derail your standard of living, your desired lifestyle in retirement – can't be overstated.

Mitigating Risks with "Safe Money First" Principles

Have you enjoyed the good life during the working years? Once they leave the workforce, most people would like to continue living well. They want to maintain a comfortable lifestyle on their own terms – not settle for a downsized quality of life or have to work just to make ends meet. At SafeMoney.com, it is our belief that your retirement strategy should keep your wealth intact, put you in the driver's seat to maintain your style of living, and help you sustain healthy spendable cash-flow. In short, your money should work for you – you should not have to set your expectations around your money.

Think of your finances in terms of “Safe Money” – or the retirement money you can’t afford to lose. In real-world terms, the concept of Safe Money translates to:

- Income dollars – the difference between spending the retirement years in comfort or financial duress.
- Replacement income – income for loved ones once someone has passed away.
- Wealth for inheritors – what you leave behind as a legacy and how much of it is affected by taxes, probate, or other factors.

All of these elements are part of a retirement financial plan, but let’s go back to the discussion of income security. It helps to consider any financial decisions in terms of retirement lifestyle choices. You may wish to continue the lifestyle to which you have become accustomed. Or you may have elevated expectations for how you would like to live out your retirement years.

In any case, consider your lifestyle preferences and what monthly income you will need to sustain that style of living. The income you will use to pay for the costs of keeping up your lifestyle is safe money – the part of your retirement wealth which fuels how you live. They are critical funds which we can’t afford to lose in retirement. Otherwise, it may mean a downgraded standard of living or even recurring struggles of how to pay the bills each month. That is hardly a situation that anyone needs or wants in their retirement years!

By following the right principles, you can enjoy the retirement of your dreams. With customized annuity strategies built on our signature Safe Money blueprint, thousands of people have achieved greater peace of mind. Basing a plan on a “Safe Money First” foundation – or retirement planning tactics to prolong your safe money for as long as you live – will help you preserve those lifestyle dollars and give you greater spending confidence for your retirement lifetime.

Let’s examine the concept of a “Safe Money First” foundation – and how it can be used to protect your nest egg and maximize spendable income.

THE IMPORTANCE OF BUILDING A RETIREMENT INCOME PLAN ON A SAFE MONEY FIRST FOUNDATION

You may be wondering what a “Safe Money First” foundation is. Let’s examine this concept in relation to what is likely a familiar topic – asset allocation – and then discuss why it is important for retirement planning matters.

When it comes to investment planning, an important decision is “asset allocation” – or, as one Forbes contributor defines it, what will be the collection of investments you own.[10] There are many investment options, each with varying risk and return potential. Of course, that encompasses many asset types, including stocks and bonds.

How an investor allocates their portfolio depends on a number of factors, including how the stock market performs. Therefore, portfolio decisions are an ongoing matter. It is a constant rebalancing of risk of losses versus potential returns, depending on market conditions and other variables. The end goals are attaining portfolio gains and avoiding investment losses as much as possible.

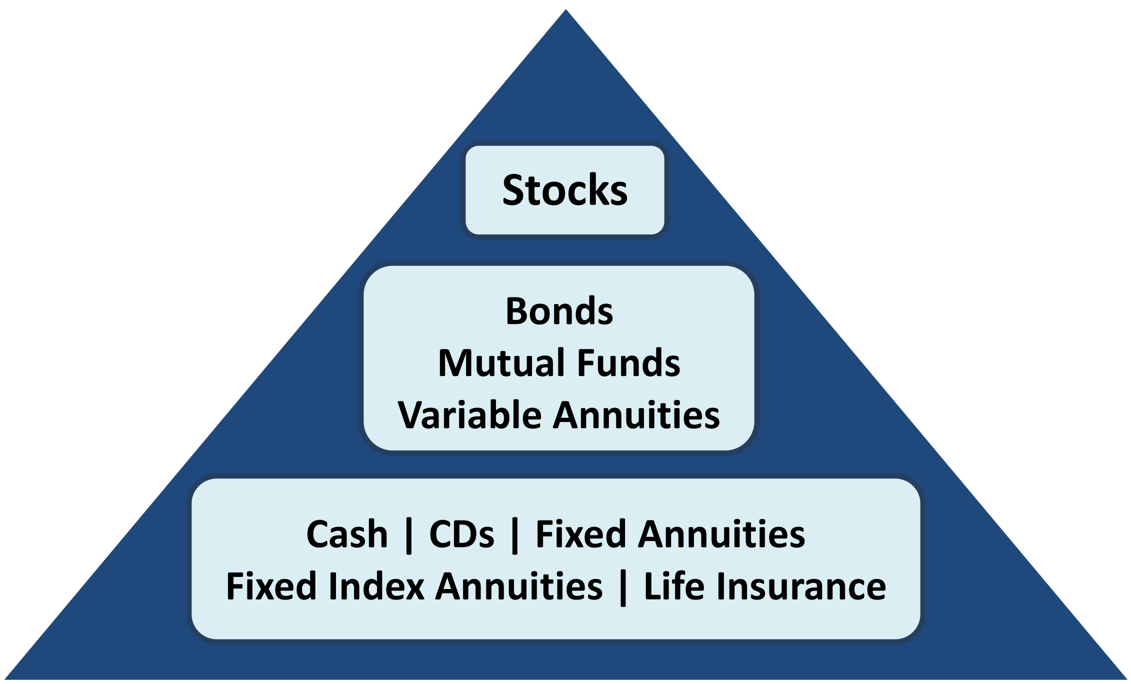
Now, think about a retirement portfolio in this context. As we age, market downturns become more costly. Our time-frame for recovery shortens, and if we rely upon market-based investments for retirement income, a declining market could lead to unexpected setbacks.

Generally speaking, the concept of a “Safe Money First” foundation is similar to asset allocation. But instead of investment gains, protection of existing assets is the priority. Now, let’s put this in the context of safe money. In simple terms, a “Safe Money First” foundation is when a retirement portfolio is structured to keep safe money intact.

Using this concept, the sum of the retirement money you can’t afford to lose is set in safe vehicles with little exposure to market risk, like fixed annuities. Of course, what safe vehicles this is put into will depend on your personalized financial needs and situation. Then the remaining sum can be put into vehicles which offer desirable return potential, but also come with risk of losses – for example, stocks. In short, the focus is on preserving safe money for the long term, no matter how the market performs.

A helpful way to think of this is in a hierarchy of asset types, ordered from top to bottom based on market risk. Consider the pyramid below as an illustration:

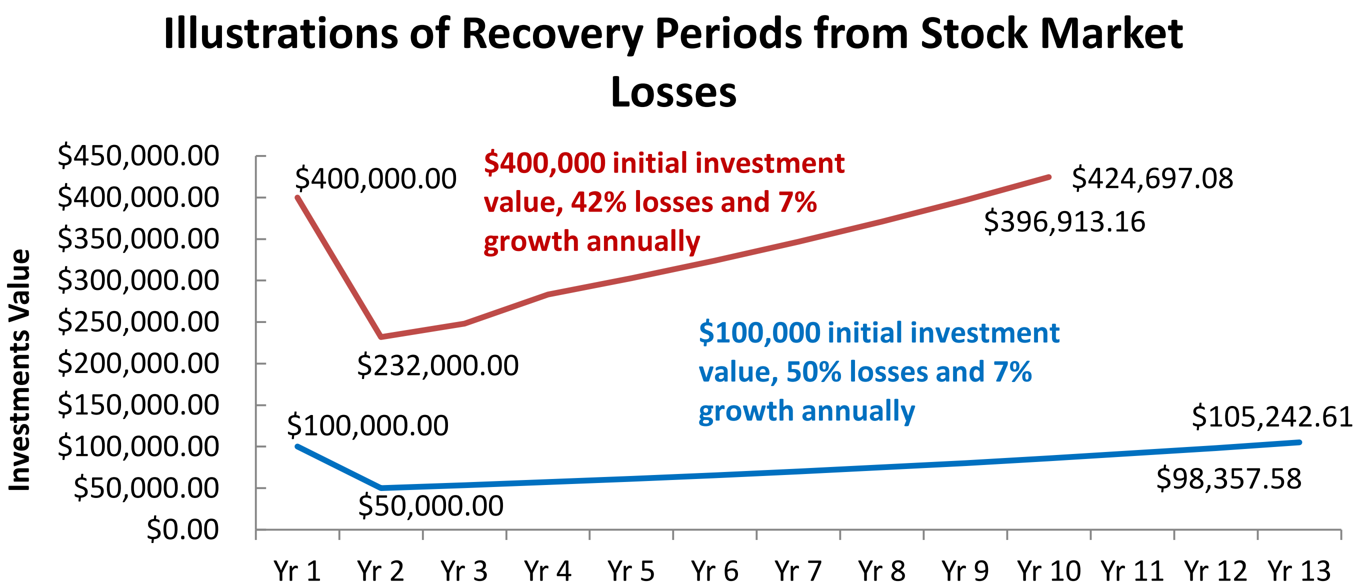
- The asset types toward the top of the pyramid are those with the greatest exposure to market risk.
- The asset types in the middle have less exposure to market risk.
- In contrast, the ones at the bottom have the least exposure.



If market risk is neglected and the market fell, the effects could be costly. Not only could income-generating assets suffer great losses, but the time needed for recovery can be extended. Here are a few scenarios to consider:

- Between October 2007 and October 2008, the stock market declined 42%.[11] If your investments lost 42% and then they grew at 7% per year, it would take nine years for complete recovery.
- Or say you lost 50%. Assuming your investments grew at 7% annually, it would take 12 years to recover.

As we can see, recovery can take years – at times even a decade or longer. Many of us don't have that convenience in retirement. That isn't to say there may be even further losses during the times when our investments are regrouping. There are some illustrations of these recovery time-frames in the graph below.



Graph created by associates at SafeMoney.com. These are hypothetical concepts created for illustrative purposes only. Not intended to represent any past, present or future stock market performance or investment returns.

The point is that if we are to enjoy a comfortable retirement, our money should last as long as we do. Remember, safe money includes the income dollars which will pay for our desired retirement lifestyle. <u>So, in a way, retirement financial planning decisions really are lifestyle choices.</u> Creating a plan with a "Safe Money First" foundation – or which emphasizes protection of safe money – helps us be ready for a more confident retirement lifespan.

Of course, a “Safe Money First” foundation is just one part of a retirement financial strategy. Retirement financial planning success also hinges on using the right markers; suitable standards to set goals and measure progress. In our view, retirement income planning should focus on monthly income as a benchmark.

Why Should We Use Monthly Income as a Planning Benchmark?

In *The New Retirement Report*, we discussed how retirement is a different phase from earlier stages of life. During the working years, we are in the “accumulation stage” – or the times when we are building up assets for the later years. At that phase, the focus is on asset values, investment returns, and investment volatility. In other words, financial planning decisions are driven by investment goals.

However, retirement brings change. Your nest egg becomes a primary source of income. The timelines for recovering from market losses are shorter and more critical. When you start drawing on your nest egg for income, it is the “distribution stage” – or the timeline in which we are spending monies we have saved over a lifetime.

From that standpoint, retirement income strategies are different from investment strategies. They require a different approach. In our opinion, the success of retirement income planning depends on using monthly income for goal-setting and measurement of success. Monthly income should be the planning marker in an income strategy – not the net-worth markers we used in investment planning, such as investment returns.

With that said, we believe that a retirement income plan should focus on income generation and wealth protection. The reasons for this are two-fold: you want to be certain you have enough assured income for your retirement lifetime, and you want to be sure your assets last as long as you need them to.

Say your retirement portfolio suffered big losses in a falling market. What would happen if your income-generating assets took a big hit? Or consider the nightmare of running short of money in retirement. How would you deal with an income shortfall because your plan didn’t account for a long enough timespan?

The point is that a retirement income strategy should give you the money you need to sustain your lifestyle, keep income dollars intact, and provide ongoing peace of mind.

Remember, we discussed why, for the purpose of sustaining a preferred lifestyle, it is critical to keep safe money intact. There is a difference between the income we draw from sources like Social Security or defined-benefit pensions and the income we draw from more volatile sources, like stocks or bonds.

Because we want to be sure we have sufficient assured income for our retirement goals, it is important to distinguish between these two income types – "permanent income" and "maybe income" – and what roles they play in an income strategy.

Permanent Income versus Maybe Income

When we speak of permanent income, we are talking about assured income – money from guaranteed sources such as Social Security, annuities, or even a pension plan, should we have it.

Maybe income is money coming from "non-assured" source-points, such as stocks, bonds, or other vehicles subject to volatility. In other words, maybe income is non-guaranteed retirement money.

From that standpoint, maybe income can come from a number of sources:

- Stocks
- Corporate bonds
- Government bonds
- Mutual funds
- Certificates of deposit
- Real estate holdings
- Other volatile investments

So, maybe income can fluctuate, depending on how its source-point performs. In other words, maybe income is subject to volatility – how much income you draw from any non-assured vehicles depending on whether their values are going up or down. There is also the impact of inflation, which further erodes the purchasing power of your money, especially during down-market periods.

When considering your income strategy, ask yourself the following questions:

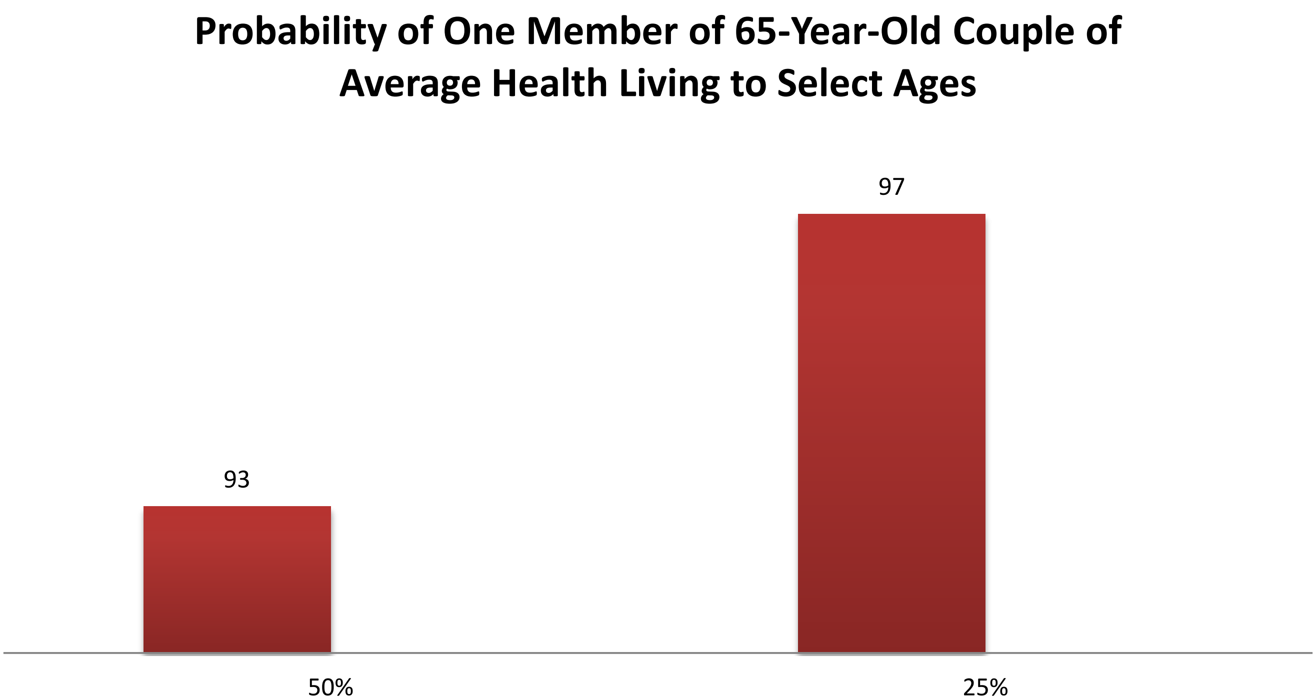
- In terms of continuing with your present lifestyle, is it preferable to rely on permanent or maybe income sources?
- Does your plan have enough assured income from guaranteed sources – in other words, enough reliable income to pay for your lifestyle expenses?
- Many retirees have Social Security, personal savings, and retirement accounts as sources of income. Do you expect to use life savings to pay for your desired style of living?
- Is too much of your retirement portfolio allocated into maybe income sources – vehicles which can go up and down, and affect income goals in the process?
- Would you like the security of a dependable, permanent income stream – even if you have Social Security and a defined-benefit pension?
- Does the dependability of steady, permanent income for covering your monthly lifestyle expenses align with your goals and, if any, concerns about market risk?

If you answer "yes" to these questions, you may find structuring your portfolio to generate reliable, permanent income to be of interest. At SafeMoney.com, independent agents and advisors have helped thousands of Americans build a secure retirement income plan, guaranteed to meet their expectations, with customized annuity strategies. Of course, this follows the model of having a "Safe Money First" foundation – creating a plan which keeps your safe money intact.

But how is someone to determine how much of their retirement portfolio they should have in their "Safe Money First" foundation? By using the Rule of 100, which we discuss now.

The Rule of 100

As research shows, retirement can last for a long time – even 30 years or longer. According to LIMRA Secure Retirement Institute, "for a 65-year-old couple of average health, there is a 50 percent chance one of them will live to age 93 and a 1 in 4 chance that one of them will see age 97."[12] As LIMRA Secure Retirement Institute notes, innovations in medical care and other technologies have increased longevity. Therefore, it may be in retirees and pre-retirees' best interest to plan for income for up until their mid-90s, at a minimum.[13]

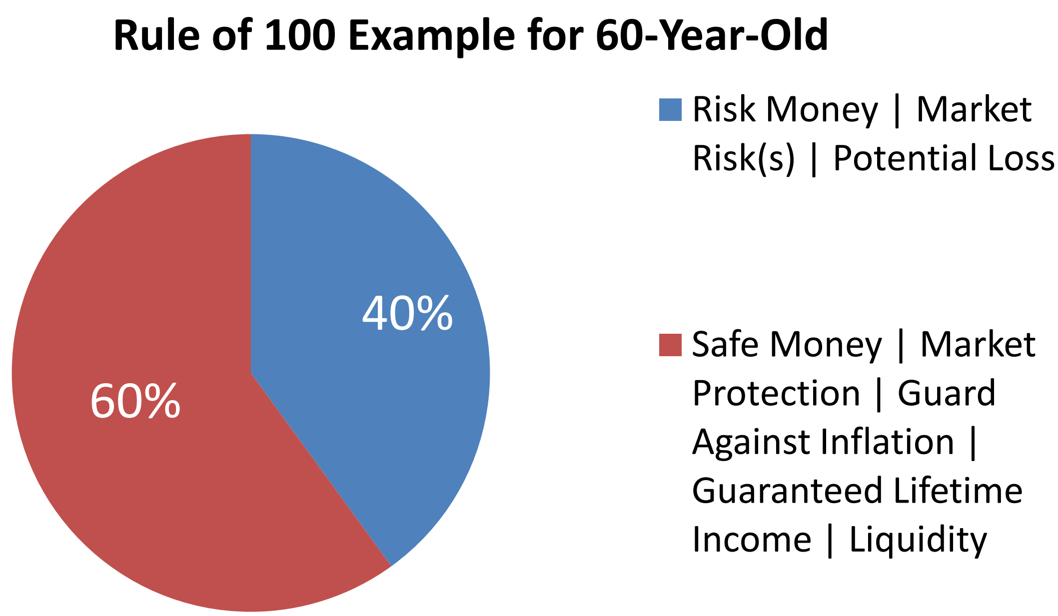


Created by associates at SafeMoney.com. Source: Retirement Income Reference Book, LIMRA Secure Retirement Institute, 2015.

One guideline to figure out how to optimize your retirement portfolio for safe money protection is the Rule of 100. It is a simple financial planning rule of thumb, but albeit a heavily abused one. We have found that many seniors and baby boomers have too much of their retirement portfolio exposed to market risk – more on that in a little bit.

With the Rule of 100, you assume you will live to age 100. Simply put, you take 100 and subtract your age from it. The resultant sum suggests the maximum proportion of your portfolio you should have exposed to market risk.

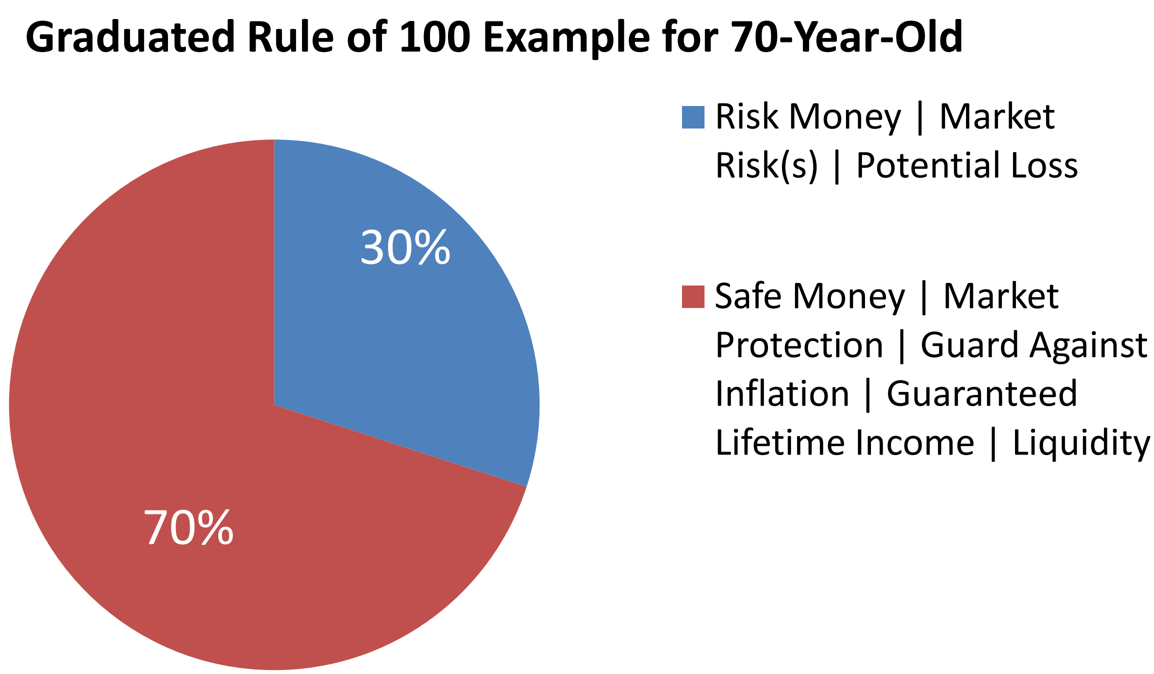
For example, if you are 60 years old, 100-60=40. Then according to this rule, you should have 60% of your portfolio protected from market losses and 40% in the market to optimize your long-term financial safety (Your age is equal to the safe portion percentage). Here is an illustration below.



Keep in mind that the Rule of 100 is just one guideline. This isn't a recommendation to use this guideline alone. Personalized financial needs and situation are also important. Your complete financial picture should always be considered when creating a personalized retirement income plan.

Now consider an example of someone who is part of the senior community. Seniors hold a majority of the total savings and investment dollars among all age groups of Americans. Say you were 70 years old. According to the Rule of 100, you should have no more than 30% of your assets exposed to market risks (100-70=30). We frequently come across seniors who have portfolios that are weighted heavily with exposure to market risk.

As you can see, just as with asset allocation, the Rule of 100 and the "Safe Money First" foundation concept are an ongoing process. Readjustments would be made to a portfolio over time based on a person's age and the level of market risk suitable for them at that period, among other factors. There is another illustration below of what the Rule of 100 looks like for a 70-year-old.



Remember, again, the Rule of 100 is just one planning guideline, though. When strategizing with seniors and baby boomers about retirement, the financial professionals on SafeMoney.com consider a variety of personal variables, including:

- Age (hence where the Rule of 100 would apply)
- Marital status
- Any objectives besides lifestyle income-related goals (replacement income for family, legacy for beneficiaries, for example)
- Asset profile – what kinds of retirement assets an individual or couple may have
- Retirement portfolio design – monies in qualified accounts such as traditional IRAs or 401(k) plans, monies in non-qualified accounts such as Roth IRAs or 401(k) plans, life savings, and other factors
- Personal circumstances and situation

- Individualized retirement needs
- Personal retirement goals and objectives
- Particular monthly income needs
- Risk tolerance – the psychological appetite for risk
- Risk capacity – the actual, real-numbers threshold at which risk becomes untenable
- Proportions of existing permanent income sources versus maybe income sources
- Any other individualized planning variables important for a retiree or pre-retiree's future

On the whole, a central consideration is determining what income you may need to sustain your lifestyle in retirement. Even if you already have Social Security and guaranteed income from pension benefits, you may benefit from having a permanent, guaranteed income stream locked in to supplement your other permanent income dollars. Different annuity strategies can help preserve your critical retirement dollars and maximize income. In fact, with careful annuity laddering or customized annuity withdrawal techniques, you could even double your income.

Imagine what your retirement would be like without headaches of how to pay for your lifestyle expenses – having the freedom and confidence to spend without anxiety. Many Americans have achieved greater spendable cash-flow with guidance from financial professionals affiliated with SafeMoney.com, using safe financial principles.

If you are ready for personal guidance, you can request a no-obligation personal strategy session, during which a financial professional will discuss your specific needs, circumstances, and objectives. Once your financial professional has evaluated those areas, they can help you identify any income gaps and offer personalized, carefully considered solutions to cover them.

A recommendation from a SafeMoney.com affiliated financial professional may look like this:

- Based on “Safe Money First” principles and your own profile, a suitable proportion of your assets in safe vehicles like annuities, tailored to your individual planning needs. Many people use annuities to supplement income from Social Security and pension benefits.
- A suitable proportion of liquidity for emergency or unanticipated expenses – often 10% of a retirement portfolio. Many people find it helpful to keep liquid cash reserves for what it would take to pay for as much as 12-18 months of household expenses.
- The remaining proportion, to be put into volatile vehicles for long-term growth potential – often stocks and bonds. As a provider of safe financial solutions, a SafeMoney.com affiliated financial professional will not offer recommendations for investments. But you may want to consider your appetite for risk, and your actual financial capacity to withstand risk, when making any financial decisions. Keep in mind this does not constitute retirement advice for your personal situation, we offer this information only this to help you become informed.

BUILDING YOUR PERSONALIZED STRATEGY

In this roadmap, we have offered some principles for planning out your retirement future. You may be wondering what a personalized annuity strategy recommendation may look like. For illustrative purposes, we will discuss a couple of brief, hypothetical case studies. Finally, we will end by offering discussion on how you can benefit by meeting with an independent, SafeMoney.com affiliated financial professional.

When going through these case studies, you may find it useful to recall the five types of annuities available today. They are immediate annuities, fixed annuities, fixed index annuities, variable annuities, and multi-year guarantee annuities. <u>To be clear, this roadmap doesn't discuss variable annuities, only fixed annuity types.</u>

Building a Strategy for Lifelong Retirement Income

John and Sally Smith are a healthy, 65-year-old couple. They have $300,000 within a 401(k) plan (a qualified account). John and Sally have a few concerns they would like to alleviate:

- They would like to move the $300,000 into something with less exposure to market risk, as they worry about future losses.
- Like many pre-retirees, they are concerned about running out of money in retirement. So they are considering annuities as a means to secure lifetime income they can't outlive.
- However, John and Sally don't want to deal with the lack of control over their money which comes with annuitization. They would like a way to maintain some flexibility of access to their savings.
- They would also like to have some growth potential for their savings, but the aforementioned goals are more important to them.

Based on a careful analysis of these needs, their financial professional recommends a deferred income strategy, consisting of a fixed index annuity with a level income rider. This annuity strategy affords some growth potential for their money, linked to the performance of an external index. Additionally, the income rider gives the Smiths greater access to their money should they desire. The table below gives an illustration of what the Smiths may receive for guaranteed, lifelong income, depending on what year they defer taking income until.

Year	Age	Withdrawal Percentage	Income Value	Guaranteed Lifetime Income
Issue	65	---	$300,000.00	---
1	66	5.0%	$315,000.00	$15,750.00
2	67	5.0%	$330,750.00	$16,537.50
3	68	5.0%	$347,287.50	$17,364.38
4	69	5.0%	$364,651.88	$18,232.59
5	70	5.5%	$382,884.47	$21,058.65
6	71	5.5%	$402,028.69	$22,111.58
7	72	5.5%	$422,130.13	$23,217.16
8	73	5.5%	$443,236.63	$24,378.01
9	74	5.5%	$465,398.46	$25,596.92
10	75	6.0%	$488,668.39	$29,320.10

This hypothetical chart is created for illustration of concept and educational purposes only. It does not or is not intended to represent any particular annuity product. The income value is used only to calculate income and not used to calculate any withdrawals or death benefit, if applicable. Withdrawal percentages may differ depending on state. Please contact a SafeMoney.com financial professional for specific information and annuity quotes.

Specialized Cases: Building a Strategy for Help with Personal Care Needs

In certain circumstances, a specialized annuity strategy may be suitable. A few situations may be when someone will be confined to a nursing home or requires assistance with certain "acts of daily living" (ADLs) from a personal care professional. If their health status was subpar or expected to be in the future – say based on family history – that person may want to consider an annuity with an enhanced benefit rider. For a certain period, their income could double to pay for costly care expenses. However, certain qualifications must be met – be sure to check the disclosure materials with your financial professional for specific details.

Many insurance contracts specify this "doubling-up" period lasts for up to 60 months (five years), after which income reverts back to its original sum. Keep in mind, this benefit is paid for by drawing on an annuity's accumulation value.

In this hypothetical case study, we illustrate an annuity with an enhanced income benefit rider. John Rogers is a 65-year-old man who has declining health. Based on his family history, he expects to have issues with performing certain ADLs in the future.

Like beforehand, John has $300,000 sitting in a non-qualified account. Because of his health status, he believes he will need some sort of long-term care assistance. Based on this outlook, John's annuity strategist recommends a fixed index annuity with an enhanced income rider, which will double his income when he needs it.

Year	Age	Withdrawal Percentage	Income Base	Guaranteed Lifetime Income	Enhanced Income Rider Benefit
Issue	65	---	$300,000.00	---	---
1	66	5.0%	$315,000.00	$15,750.00	Not Available in Year 1
2	67	5.0%	$330,750.00	$16,537.50	Not Available in Year 2
3	68	5.0%	$347,287.50	$17,364.38	$34,728.75
4	69	5.0%	$364,651.88	$18,232.59	$36,465.19
5	70	5.5%	$382,884.47	$21,058.65	$42,117.29
6	71	5.5%	$402,028.69	$22,111.58	$44,223.16
7	72	5.5%	$422,130.13	$23,217.16	$46,434.31
8	73	5.5%	$443,236.63	$24,378.01	$48,756.03
9	74	5.5%	$465,398.46	$25,596.92	$51,193.83
10	75	6.0%	$488,668.39	$29,320.10	$58,640.21

This hypothetical chart is created for illustration of concept and educational purposes only. It does not or is not intended to represent any particular annuity product. The income value is used only to calculate income and not used to calculate any withdrawals or death benefit, if applicable. Withdrawal percentages may differ depending on state. Please contact a SafeMoney.com financial professional for specific information and annuity quotes.

PREPARING FOR THE RETIREMENT OF YOUR DREAMS

We have covered lots of ground in this roadmap. When planning for retirement, it is instructive to heed the insights of Dr. Robert C. Merton. As an economist and winner of the 1997 Nobel Prize in Economics, Dr. Merton is a well-respected authority on retirement planning matters. Among other capacities, he serves as a Distinguished Professor of Finance at the MIT Sloan School of Management.[14]

In an article he wrote for Harvard Business Review, *The Crisis in Retirement Planning,* Dr. Merton observes that:

> "Corporate America really started to take notice of pensions in the wake of the dot-com crash, in 2000. Interest rates and stock prices both plummeted, which meant that the value of pension liabilities rose while the value of the assets held to meet them fell. A number of major firms in weak industries, notably steel and airlines, went bankrupt in large measure because of their inability to meet their obligations under defined-benefit pension plans.
>
> The result was an acceleration of America's shift away from defined-benefit (DB) pensions toward defined-contribution (DC) retirement plans, which transfer the investment risk from the company to the employee. Once an add-on to traditional retirement planning, DC plans… have now become the main vehicles for private retirement saving."[15]

There are few points which are noteworthy. He observes that the growing disappearance of pensions has led to a change in the retirement planning landscape. Many Americans now rely upon defined-contribution plans such as 401(k) plans for their retirement saving goals. In the process, they are given the wrong indicators to measure readiness for retirement – net-worth-driven markers instead of a monthly income benchmark, as Dr. Merton notes.[16]

This has led to a retirement planning crisis of sorts – an environment in which older Americans may run short of money in retirement, or experience setbacks due to unsuitable planning. However, we don't believe this has to be the case for many people. With careful strategizing and planning today, a comfortable, secure retirement lifestyle is more than attainable.

As you get closer to retirement – or you advance in your retirement lifetime – you may want to work with someone who understands the financial nuances of this life stage. Thousands of clients across the United States have benefited from the guidance of financial professionals affiliated with SafeMoney.com. These professionals' specialties are in wealth preservation, income generation, and asset distribution, utilizing carefully designed strategies with guaranteed insurance contracts and other guaranteed insurance vehicles.

To get the most out of this roadmap, we invite you to schedule a no-obligation personal goal discovery appointment with an affiliated financial professional. You can locate someone by using our Locate a Licensed Advisor resource.

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Remember, sound decision-making begins with personal understanding and confidence. There are no shortcuts to making well-informed decisions without being well-informed. We hope this roadmap is valuable for your retirement planning process, whether you are currently retired or nearing that stage.

Each year, SafeMoney.com publishes new, independent articles, research, and consumer resources on safe financial strategies and how fixed insurance products, like annuities and life insurance, can help investors achieve their goals. Please, use these resources and information to help you make financial decisions with confidence.

And, when you are ready, we invite you to request a no-cost initial consultation with a SafeMoney.com affiliated financial professional. You can connect with an independent agent or advisor, or request more information directly, by visiting SafeMoney.com.

Just to be clear, annuities are not for everyone. Any annuity strategy should fit well into the scope of your entire financial picture. It should be appropriate for your needs, goals, objectives, risk tolerance, liquidity requirements, time horizon, and other unique considerations. Carefully consider an annuity, or any financial product for that matter, before committing to a purchase.

Along with this roadmap, we offer resources on a variety of other topics. If you would like any of them, please contact us and request a copy.

We wish you the best in your retirement planning journey. If you need a referral for a financial professional, or you have questions about the material you have read, don’t hesitate to contact us. You can reach our team by calling 877.476.9723. Thank you for your confidence, trust, and the opportunity to help you achieve the retirement lifestyle you have worked hard for.

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