

Working Towards Building a Sustainable Retirement Income



“New” Retirement Risks

A generation earlier...

- Retirement at 65
- Supported by Company Pension
- Guaranteed government benefits



Life of Leisure!!!

The 21st Century

- Outliving Your Assets
- Social Security Uncertainty
- Corrosive Effects of Inflation
- Rising Elder Care Costs



Life Expectancy: What's the News?

Good News....

Increase in the average life expectancy¹

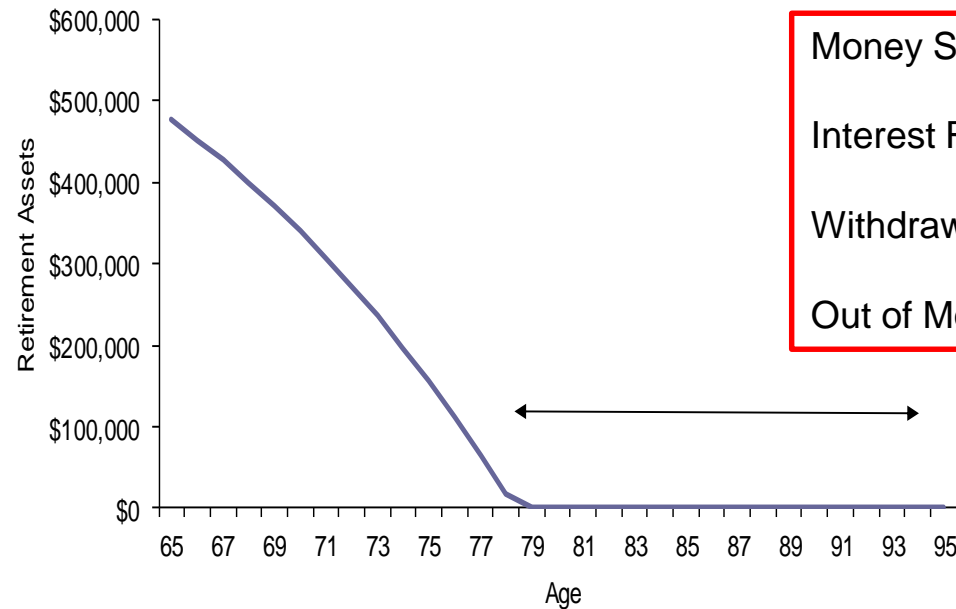
- Women = 81.2 years
- Men = 76.3 years

Good News!



Not So Good News....

Your Retirement Portfolio May Not Last as Long as You



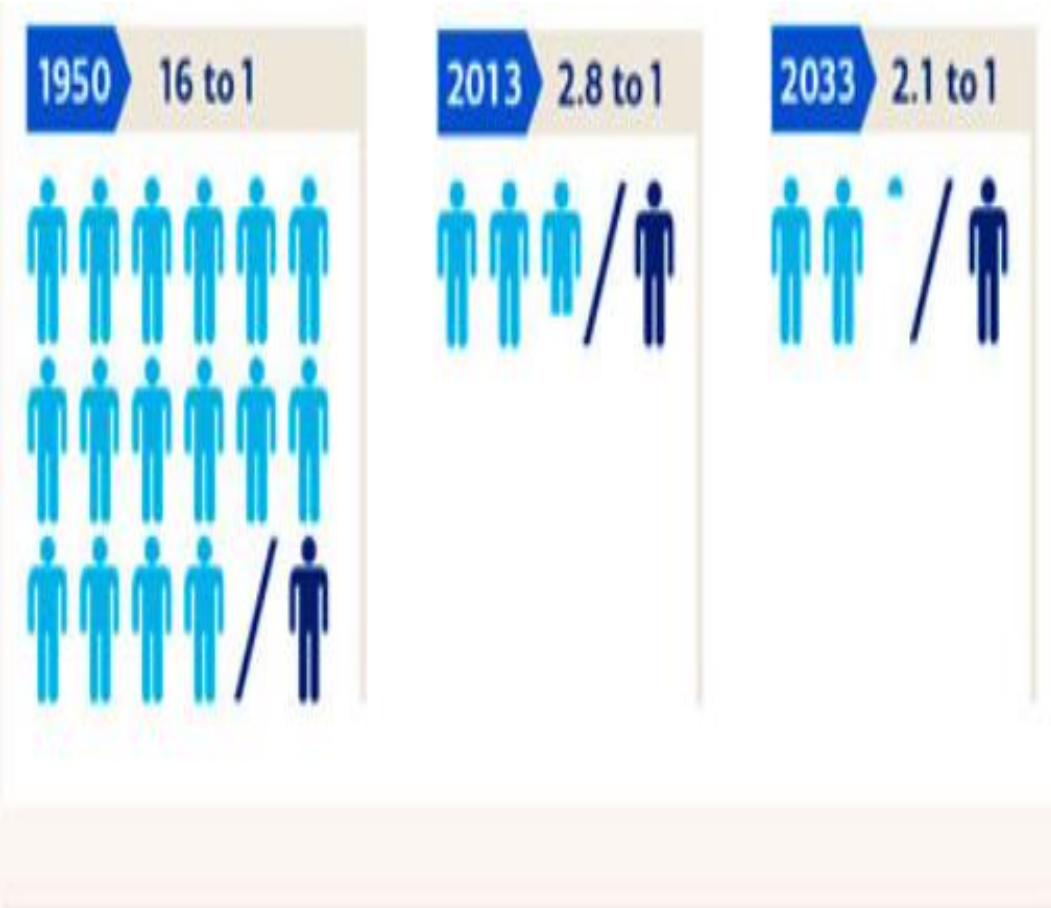
Money Saved	→	\$500,000
Interest Rate	→	6%/yr.
Withdrawal Rate	→	8%/yr.
Out of Money	→	15 years

¹Centers for Disease Control and Prevention, "Mortality in the United States, 2015," December 2016.

This example is for illustrative purposes only.

Assumes a 6% annual rate of return, a 3% inflation rate, and an 8% annual withdrawal rate. Your results will vary. The hypothetical rates of return used do not reflect the deduction of fees and charges inherent to investing.

Ageing Population - Social “Insecurity?”



➤ The ratio of workers to beneficiaries is declining.

What could this mean for you?

➤ Less government support as you grow older.

Source: "The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," June 19, 2013

You Can't Ignore Inflation



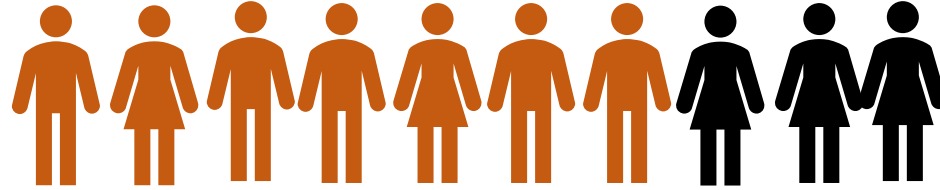
At 3% inflation, \$100,000 will be worth:

- \$73,742 in 10 years
- \$54,379 in 20 years
- **\$40,101 in 30 years!!**

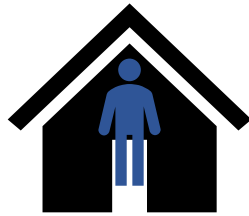


Long-term Care — A Wild Card

70% of the people turning age 65 can expect to use some form of Long-Term care during their lives



People with **Chronic Diseases** may have greater chances of needing paid care



People **living alone** are more likely to need paid care



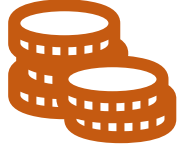
69% of people above **90 years** have a disability



8% of the people **40 – 45** have **disability** that could require long term care later in their lives.

Sources : longtermcare.gov , [www. Fa-mag.com/fa-news/9046-most-americans-donot-prepare-for-log-term-care-planning-survey-says.html](http://www.Fa-mag.com/fa-news/9046-most-americans-donot-prepare-for-log-term-care-planning-survey-says.html)

Strategies to Manage Risk



Conservative withdrawal rates



Stocks for growth potential



Company Sponsored Benefit Plans,
IRAs for tax-deferred asset
accumulation



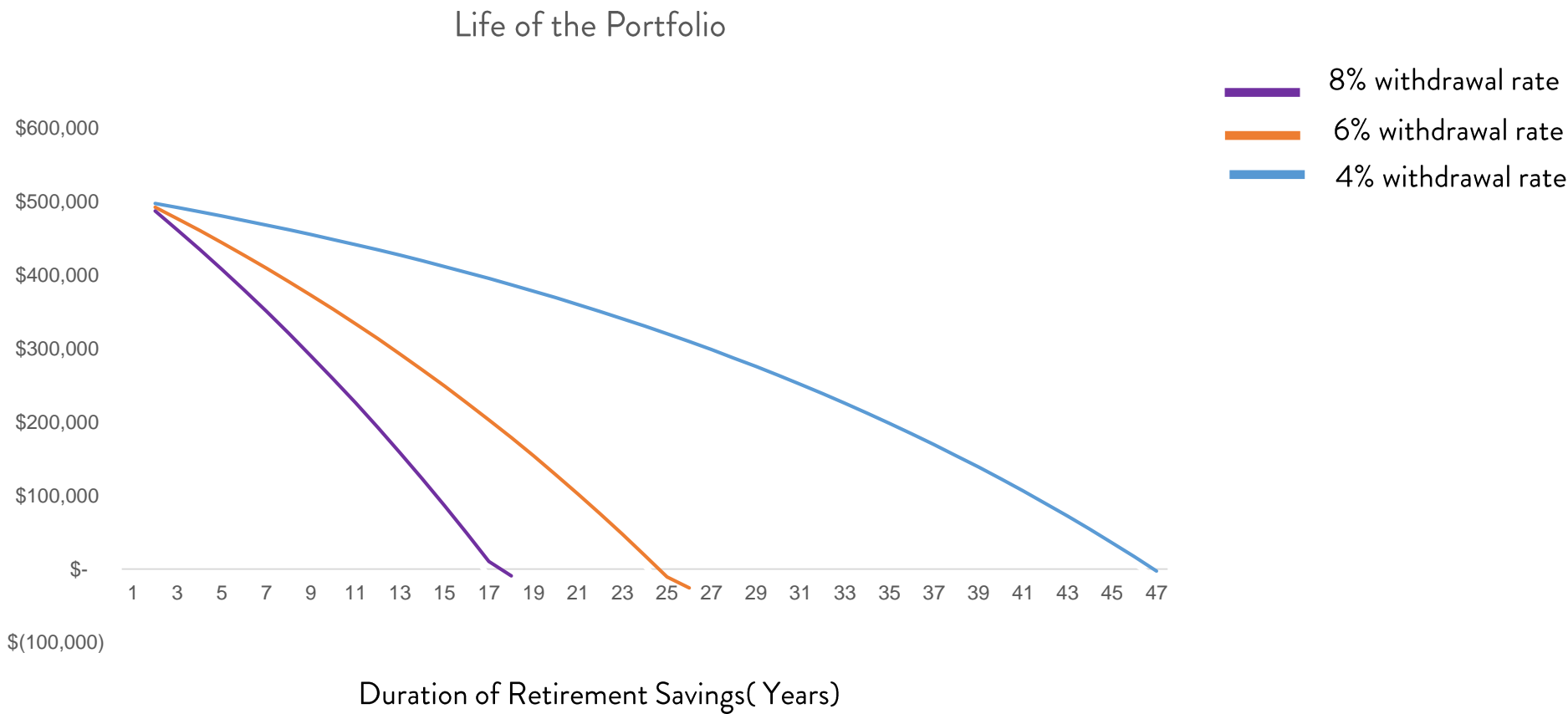
Long-term care insurance?



Annuities for lifetime income?



Conservative Withdrawal Rates Can Extend the Life of Your Portfolio

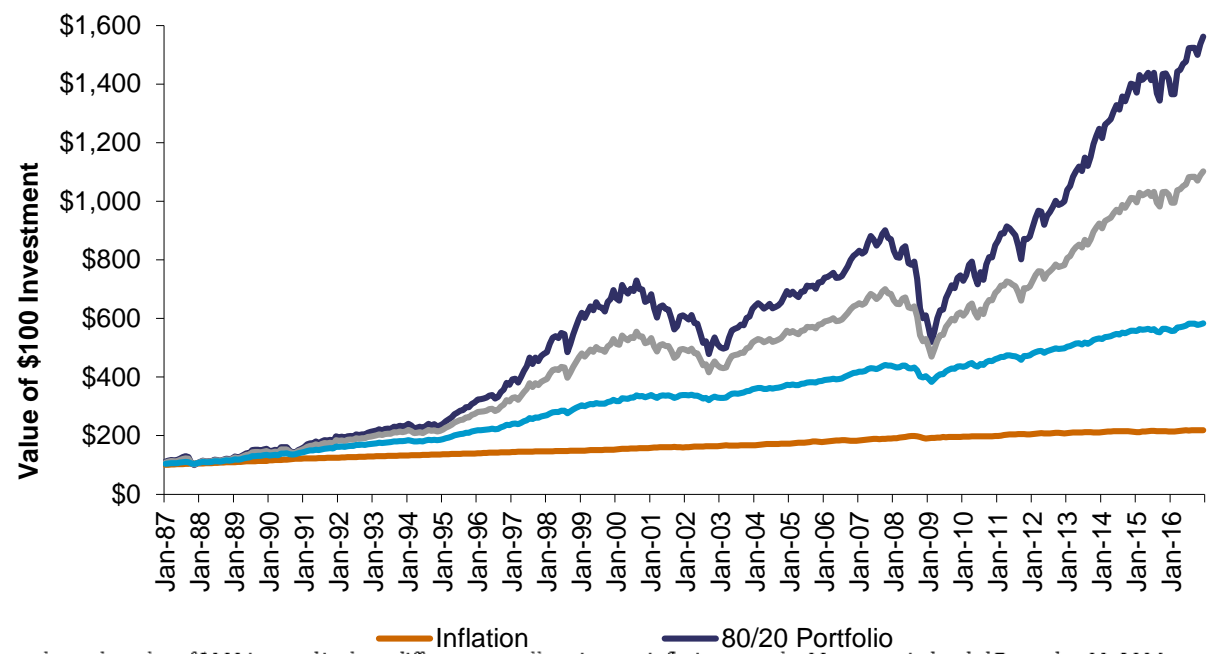


Source: DST Systems, Inc. This example is for illustrative purposes only. Assumes a 6% annual rate of return and a 3% inflation rate. The hypothetical rate of return does not reflect the deduction of fees and charges inherent to investing. Your results will vary.

Stocks May Help You Accumulate Assets During Retirement ...



Investment of \$100; 30 Years Ended December 31, 2016





This chart shows the value of \$100 invested in three different asset allocations vs. inflation, over the 30-year period ended December 31, 2016.

Source: ChartSource®, DST Systems, Inc. Assumes portfolios are rebalanced at the end of each year. Stocks are represented by the total returns of Standard & Poor's 500 index, an unmanaged index that is generally considered representative of the U.S. stock market. Bonds are represented by the total returns of the Bloomberg Barclays U.S. Aggregate Bond Index. Cash is represented by a composite of the yields on 3-month Treasury bills, as published by the Federal Reserve, and the total return of the Bloomberg Barclays 3-Month Treasury Bills Index. Inflation is represented by the change in the Consumer Price Index. It is not possible to invest directly in an index. Index performance does not reflect the effects of investing costs and taxes. Actual results would vary from benchmarks and would likely have been lower. © 2017, DST Systems, Inc. Reproduction in whole or in part prohibited, except by permission. All rights reserved. Not responsible for any errors or omissions. Past performance is not a guarantee of future results. (CS000033)

... and Avoid Running Out of Money During Retirement



Percentage of Positive/Negative Returns of Stocks for Different Holding Periods (1926 to 2016)

	1 Yr.	10 Yrs.	15 Yrs.
 Positive returns	75%	95%	100%
 Negative returns	25%	5%	0%

Source: DST Systems, Inc. For the period January 1, 1926, to December 31, 2016. Based on all 1-, 10-, and 15-year holding periods of the S&P 500, an unmanaged index of stocks considered to be representative of the U.S. stock market. Stock investing involves risk, including loss of principal. It is not possible to invest directly in an index. Index performance does not reflect the effects of investing costs and taxes. Actual results would vary from benchmarks and would likely have been lower. © 2017, DST Systems, Inc. Reproduction in whole or in part prohibited, except by permission. All rights reserved. Not responsible for any errors or omissions. Past performance is not a guarantee of future results. Index performance is not indicative of the performance of any investment.

Staying Invested May Be the Key

BEAR MARKET			Total Increase Following Bear-Market Low		
Start of Bear Market	Duration	Decline	1-Year	3-Year	5-Year
Sep-29	2.6 years	-86.2%	121.4%	116.1%	262.7%
Aug-56	1.2 years	-21.5%	31.0%	35.2%	41.0%
Dec-61	6 months	-28.0%	32.7%	56.0%	75.2%
Feb-66	8 months	-22.2%	33.2%	27.2%	36.6%
Nov-68	1.5 years	-36.1%	43.7%	55.2%	30.4%
Jan-73	1.7 years	-48.2%	38.0%	55.3%	76.0%
Nov-80	1.7 years	-27.1%	58.3%	83.2%	224.5%
Aug-87	3 months	-33.5%	22.8%	45.7%	93.0%
Mar-00	2.5 years	-49.1%	33.7%	59.0%	54.0%
Oct-07	1.4 years	-56.8%	68.6%	102.6%	177.5%
Average	1.4 years	-40.9%	47.6%	63.6%	104.9%



Source: DST Systems, Inc. For the period from January 1, 1926, to December 31, 2016. The most recent bear market ended on March 9, 2009. Stocks are represented by the daily closing price of Standard & Poor's Composite Index of 500 Stocks, an unmanaged index that is generally considered representative of the U.S. stock market. It is not possible to invest directly in an index. Index performance does not reflect the effects of investing costs and taxes. Actual results would vary from benchmarks and would likely have been lower. © 2017, DST Systems, Inc. Reproduction in whole or in part prohibited, except by permission. All rights reserved. Not responsible for any errors or omissions. Past performance is not a guarantee of future results.

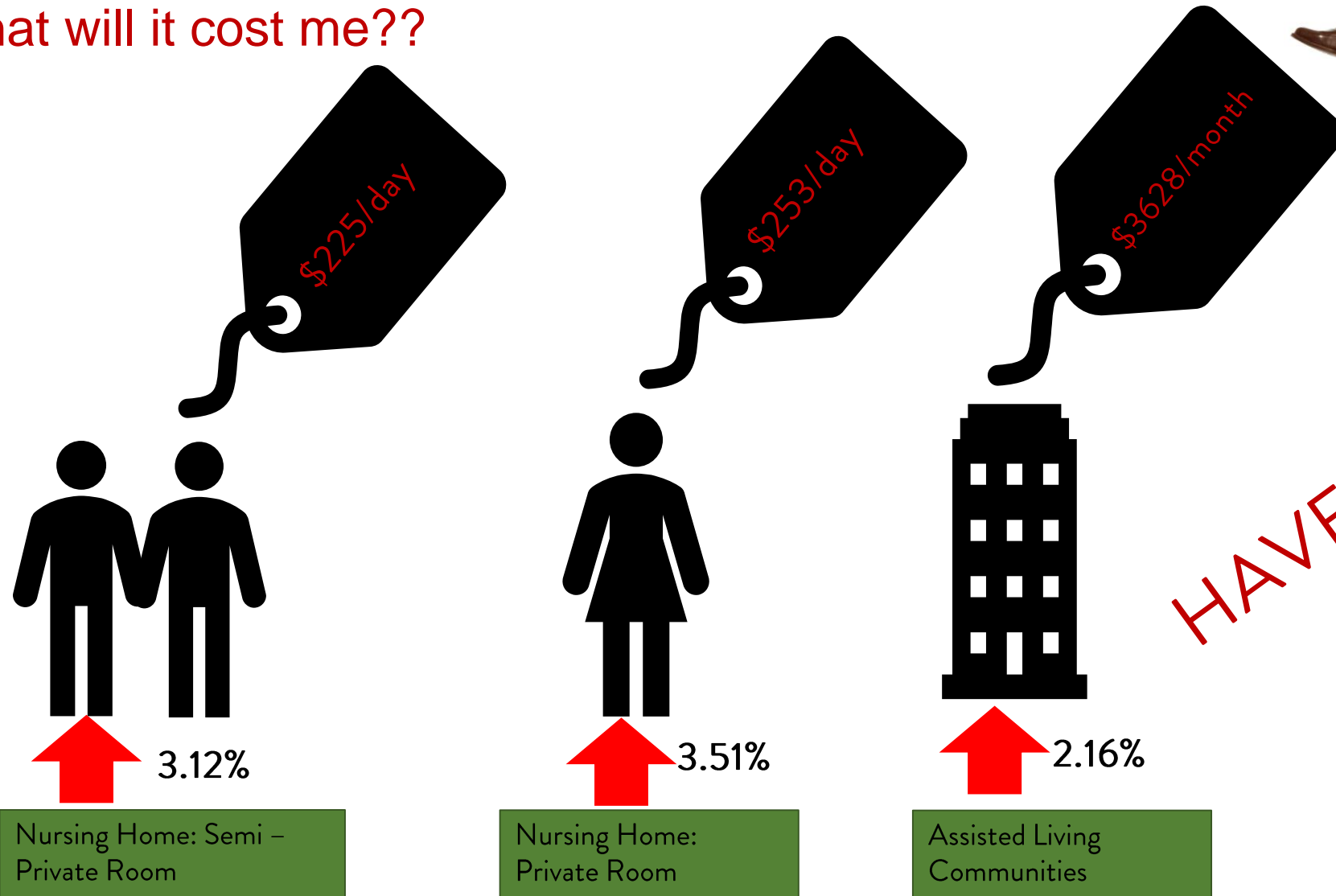
Make the Most of Company Sponsored Retirement Plans



- Tax deferral on contributions and earnings
- Potential for company match
- Increasing annual contribution limits
- **Roth-style plans feature after-tax contributions and tax-free withdrawals**

Long-Term Care Insurance

What will it cost me??



HAVE YOU PLANNED??

Annuity Advantage: Income for life?

- Tax-deferred investment growth
- Unlimited after-tax contributions — even after retirement
- Guaranteed lifetime income potential



Summary

- Challenges and risks

- Strategies

- Withdrawals : **Be conservative**

- Stocks and inflation : **Stay Invested and weather the storm**

- Long-term care insurance : **Be prepared!!**

- Annuities may be a good fit : **Guaranteed income potential**



Any Questions....



Working Towards Building a Sustainable Retirement Income

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing.

All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

No strategy assures success or protects against loss.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

Securities offered through Triad Advisors, LLC, member FINRA/SIPC. Investment advice offered through Resources Investment Advisors, LLC, an SEC-registered investment adviser. Resources Investment Advisors, LLC and iMPACT Benefits & Retirement are not affiliated with Triad Advisors, LLC.