

Thanks for joining

Retirement income strategies

The workshop will start in **10** minutes.

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FINANCIAL WELLNESS SERIES

Retirement  
income strategies

Take action to identify your future  
income needs.



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Agenda


Protect your retirement income




The new retirement realities



Major risks to retirement income



Essential income planning



Where to go from here?

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Section 1

Understanding retirement realities

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The new retirement realities

How confident are you about your retirement?

Very confident in having enough money to retire

18%

Very confident that they will have enough money to last their entire life

27%

Source: EBRI 2023 Retirement Confidence Survey.

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The new retirement realities

The three phases of retirement

What are you looking forward to doing most in retirement?

The Go-Go YEARS  
Early years of retirement with an active lifestyle spent golfing, playing tennis, traveling, etc.

The Slow-Go YEARS  
More passive stage of retirement in which you decide to let the pace of your life slow down

The No-Go YEARS  
The stage of retirement where failing health makes medical treatment and nursing care the defining characteristics

Source: The Go-Go, Slow-Go, and No-Go Years: A Spending Plan for All Three Phases of Retirement. [kennedylifeadvisors.com](https://www.kennedylifeadvisors.com). February 5, 2024.

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### The new retirement realities


Possible challenges




High personal debt




Greater responsibility to save



Concern for the future of Social Security



Longer life expectancy

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Section 2

## Identifying risks to retirement income

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### 5 key risks to retirement income

Planning now for these unknowns is more important than ever

Longevity

▼

The odds & risk of living a long time with no paycheck

Inflation

▼

The ongoing increase in costs of goods and services

Healthcare Costs

▼

Risk of needing more care as you age along with steeply rising costs

Withdrawal Rate

▼

The risk of taking too much from your personal savings too early in retirement

Investments

▼

Improper asset allocation, not balancing long-term growth needs with current spending needs

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Odds are good you could live a long time in retirement.

Plan for 30 years in retirement

I'm surprised that I might live well into my 90s!

Live to	MEN'S Life Expectancy	WOMEN'S Life Expectancy
65	82	85
75	86	87
85	90	91
95	98	98

Source: Social Security Period Life Table, 2020, as used in the 2023 Trustees Report. [ssa.gov/OACT/STATS/table4c6.html](https://ssa.gov/OACT/STATS/table4c6.html)

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Major risks to retirement income

Managing longevity risk

Reduce living expenses; save more

Develop a strategic investment allocation

Work longer; retire later

Neither asset allocation nor diversification ensure a profit or protect against market loss.

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As inflation rises, buying power drops

Decline in purchasing power over time at a 3% inflation rate

\$300,000

\$200,000

\$100,000

\$0

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SAVINGS start at \$250,000

PURCHASING POWER drops to \$117,000

Standard inflation calculation for decline in purchasing power, assumes 3% inflation each year

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### Major risks to retirement income

Managing the risk of inflation

Use a financial plan

Consider investments that help keep pace with inflation

Revisit your asset allocation every year

Develop a spending strategy

Set aside a cash cushion

Ask for professional advice

Financial planning offered by VALUC Financial Advisors, Inc. (VFA)

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### 3 Budget for healthcare costs in retirement

Medicare is not free

Total Annual Healthcare Expenditures for those age 65 and older

Year	Expenditure (\$)
2000	\$3,247
2010	\$4,843
2019	\$6,833
2022	\$7,540

Source: BLS, Consumer Expenditure Surveys <https://www.bls.gov/news.release/calculates/year/mean/item.shown.average.standard.error.html#f.age9>

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### Major risks to retirement income

Options to pay for healthcare

Long-term care insurance

Works in conjunction with Medicare

Cost and coverage vary by age

Cannot be cancelled or not renewed

Heart icon

Dollar sign icon

Wheelchair icon

Calendar icon

Activities of Daily Living used to assess disability and insurability

Covers skilled care, custodial care and cognitive impairments

Consider adding inflation protection rider

Guarantees are backed by the claims-paying ability of the issuing insurance company.

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Withdrawal rates

When drawing down your lifetime of savings, a 3% to 5% rate is the suggested range

If you have a retirement account of \$500,000

3%	4%	5%
\$15,000/yr	\$20,000/yr	\$25,000/yr

If you have a retirement account of \$1,000,000

3%	4%	5%
\$30,000/yr	\$40,000/yr	\$50,000/yr

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Investment risk

**Risk that actual investment return could be different than expected**

Investing involves risk including the possible loss of principal. Not FDIC insured and may lose value. Asset classes and indexes from which their historical returns are derived are not managed funds, have no identifiable objectives and cannot be purchased. They do not provide an indicator of how individual investments performed in the past or how they will perform in the future. Performance of indexes does not reflect the deduction of any fees and charges and past performance of asset classes does not guarantee the future performance of any investment.

Keep in mind that neither asset allocation nor diversification ensure a profit or guarantees against market loss.

Theoretical risk versus return

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Asset allocation

Conservative

70% Bond Funds

20% Stock Funds

10% Cash

Aggressive

80% Stock Funds

10% Cash

10% Bond Funds

Neither asset allocation nor diversification ensure a profit or protect against market loss.

Higher potential returns generally involve greater risk and short-term volatility is not uncommon when investing in various types of funds, including but not limited to sector funds, emerging market funds and small and mid-cap funds. Risks for emerging markets include, for instance, risks relating to the relatively smaller size and reduced liquidity of these markets, high inflation rates and adverse political developments. Risks for smaller companies include business risks, significant stock price fluctuations and reduced liquidity. Investing in higher yielding, lower rated bonds has a greater risk of price fluctuation and loss of principal and income than U.S. government securities such as U.S. Treasury bonds and bills. Treasuries are guaranteed by the government for repayment of principal and interest if held to maturity. Investors should carefully assess the risks associated with an investment in the fund. Government securities are guaranteed by the timely payment of principal and interest if held to maturity. Fund shares are not insured and are not backed by the U.S. government and their value and yield will vary with market conditions.

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## Build a diversified investment portfolio

Creating the proper asset allocation to meet the goal



**Stock (equity) investments – for the long-term**

↓

Growth mutual funds, index funds, sector funds, equity ETFs, individual stocks



**Bond (fixed-income) funds – for income & stability**

↓

Bond mutual funds, high-yield (junk bond) funds, treasury bonds, individual municipal or other bond offerings



**Money market funds & cash equivalents – for liquidity**

↓

Hi-yield savings accounts, U.S. Treasury bills, certificates of deposit (CDs), Money Market mutual funds

Neither asset allocation nor diversification ensure a profit or protect against market loss

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## Major risks to retirement income

Annuities

An option to turn assets into income you'll never outlive

Contract with an insurance company

>

Long-term financial product for future retirement income

>

Receive income payments at regular intervals


>

Payment and earnings grow tax deferred

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Income for life and to beneficiaries after your death

Guarantees are backed by the issuing insurance company's claims-paying ability

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## Worried about market downturns?

Consider an annuity with a lifetime guaranteed minimum withdrawal benefit (GMWB)

1  
Purchased to ensure payments never fall below the amount guaranteed by your contract

>

2  
Contract terms, payout options, fees and investment/age restrictions vary

>

3  
Features may include lifetime income at a set annual percentage

>

4  
If your account value increased in a bull market, you would not need to use the rider

Withdrawals in excess of permitted free amounts may be subject to early withdrawal charges. Withdrawals are also subject to taxation as ordinary income. Guarantees are backed by the claims-paying ability of the issuing insurance company. A 10% federal early withdrawal tax penalty may apply if taken before age 59 1/2.

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Section 3

Essential income planning

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Sources of retirement income

Please note that this is just one scenario and the sources of retirement income will vary depending on your individual situation.

Source	Percentage
Social Security	37%
Earnings	30%
Pension/retirement plans	18%
Asset income/other	15%

Source: The Social Security Guide, moneygeek.com, January 10, 2020.

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The need to save is greater than ever

You're responsible for saving for the retirement you want.

Average annual Social Security benefits

Year	Average annual Social Security benefits
1940	\$273
1960	\$981
1980	\$3,853
2000	\$10,135
2010	\$14,160
2022	\$19,884

Sources: (Years 1940-2022), Social Security Bulletin: Annual Statistical Supplement, SSA.gov; (Year 2022), Fact Sheet Social Security, 2022 Social Security Changes.

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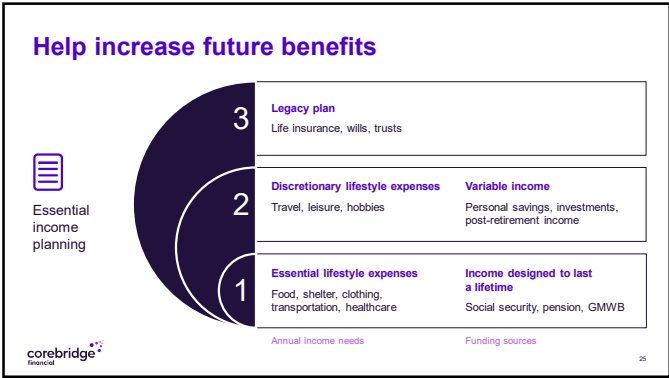
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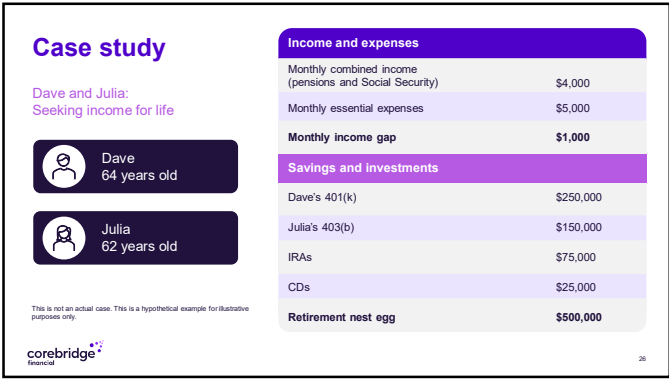
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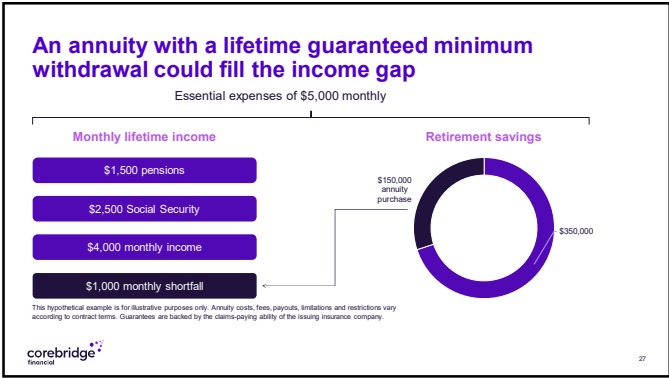
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### Essential income planning

The key is to have a strategy for life



- How much money will you need in retirement?
- How much money will you receive from your pension and Social Security?
- How much will be available in your tax-deferred plans and in other personal investments?
- Do you have a shortfall that you will need to make up?

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Section 4

## Actions you can take

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### Consider your expectations for retirement

- Will you continue to work?
- How is your health?
- Is there a history/expectation of longevity?
- If you are married, what is the age difference between you and your spouse?
- Whose benefits will your spouse collect?
- Do you have a plan that guarantees your essential income needs will be met?



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### Benefits of financial planning

Provides a big picture view of your current financial situation

Helps identify your financial goals and objectives

Allows you to understand the impact of your decisions

Helps your goals stay on track, if reviewed regularly

Offers you a course of action needed to achieve your financial goals

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### Make a savings plan with Retirement Pathfinder®

You can get answers to key questions along with a plan to help you pursue your saving goals.

- Am I saving enough?
- Can I retire when I planned?
- How much monthly income will I need?
- Will I outlive my retirement savings?

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### Work with a Corebridge financial professional

Get one-on-one help at no additional cost.

Corebridge has helped Americans plan for and enjoy a more secure financial future for more than half a century.

- ✓ Review your financial situation.
- ✓ Prioritize your goals.
- ✓ Create a savings plan that works for you.
- ✓ Create an investment strategy to help you pursue your goals.

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### Questions?

Schedule an appointment today!

Go to [corebridgefinancial.com/rs/registers](https://corebridgefinancial.com/rs/registers)  
Enter this registration code: **[REGISTRATION CODE]**

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### Questions?


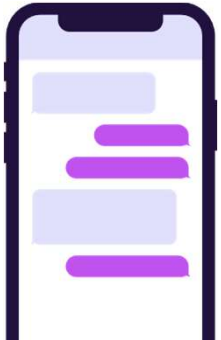
Text 951-501-6432

**Your Name**

**Worksite Name**

**Topic:**

- Enroll
- Review
- Retire



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## Thank you

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**Important considerations before deciding to move funds either into or out of a Corebridge retirement services account**

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including fees and charges, guarantees and benefits, and any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Bear in mind investment involves risk, including possible loss of principal.

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