Creating Retirement Income

Let's Do the Math:
Fixed Indexed Annuity vs. Equities Portfolio

Dave is 65. He needs to generate $20,000/year in additional retirement income. How can he generate that income?

Equities Portfolio

Income need: $20,000/year
Withdrawal rate: '4% Rule'
$20,000/.04 = **$500,000**

Dave would need an initial balance of $500,000 To get the same amount of income from his equities portfolio using a 4% withdrawal rate. His income is not guaranteed, and his money is exposed to market risk, meaning it can lose value.

Fixed Indexed Annuity

Income need: $20,000/year
Payout rate: 6% guaranteed
$20,000/.06 = **$333,333**

Placing a one-time premium of $333,333 into a fixed indexed annuity, Dave can generate $20,000 of income every year. Plus, his income is guaranteed for life, his principal is protected from market loss, and he may earn credited interest if the market goes up.

Now, let's do your math:

1. You need $__________ additional guaranteed retirement income
2. An FIA would require $_________ /.06 = $__________ of initial premium

Addressing 3 Challenges

In retirement, your portfolio faces greater pressure to achieve three key objectives:

1 Manage Risk

2 Generate Income

3 Seek Consistent Growth

A fixed indexed annuity may contribute toward achieving these objectives. Here's how:

Manage Risk - Principal protection with no risk of loss due to market downturns

Generate Income - Lifetime income that is predictable and contractually guaranteed, even if the account balance is exhausted

Consistent Growth Potential - Opportunity to potentially grow your money by earning credited interest based on a market index

To see if a fixed indexed annuity may make sense as part of your retirement income strategy, contact us for a no-obligation consultation.

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