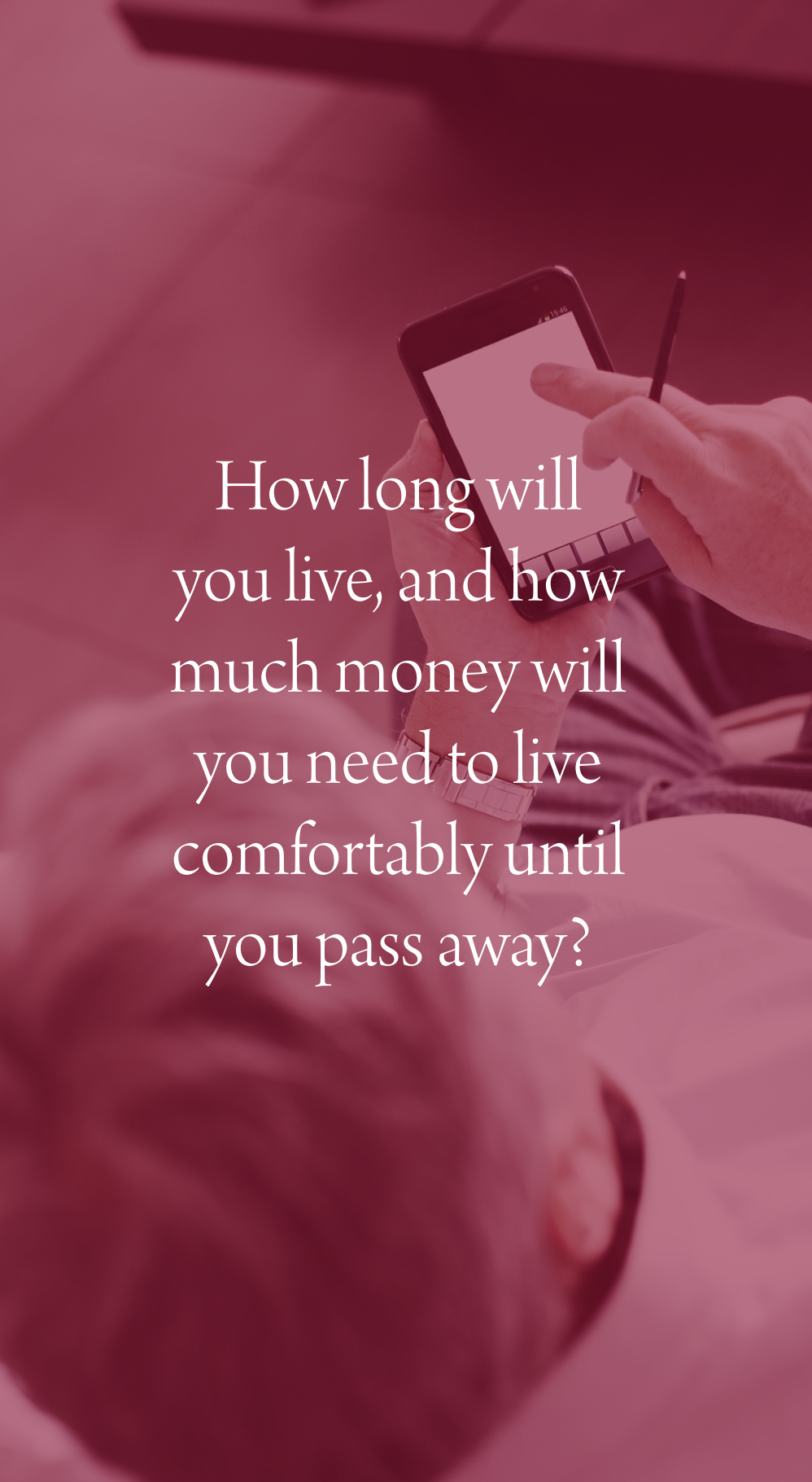


THE VALUE OF AN
**OBJECTIVE
OPINION**

Why objective financial
advice is important



How long will you live, and how much money will you need to live comfortably until you pass away?

These are two of the primary questions to address when planning for retirement income. If we each had the answer, we could better address the goal of not outliving our money. However, these also are two of the most difficult questions to answer accurately.

The Importance of Timing

While none of us can predict how long we will live, factors from genetics to lifestyle and even where one lives can play a part in one's longevity. According to the Social Security Administration, a man reaching age 65 today can expect to live, on average, to age 84.2, and a woman turning 65 today can expect to live, on average, until age 86.8.¹ Remember, those are averages.

Another challenge to planning your retirement income is estimating when you'll retire. Plan as you may, this can be a variable you can't control — largely due to employer changes, like closures or downsizing, or potential health issues you or your loved ones may experience.

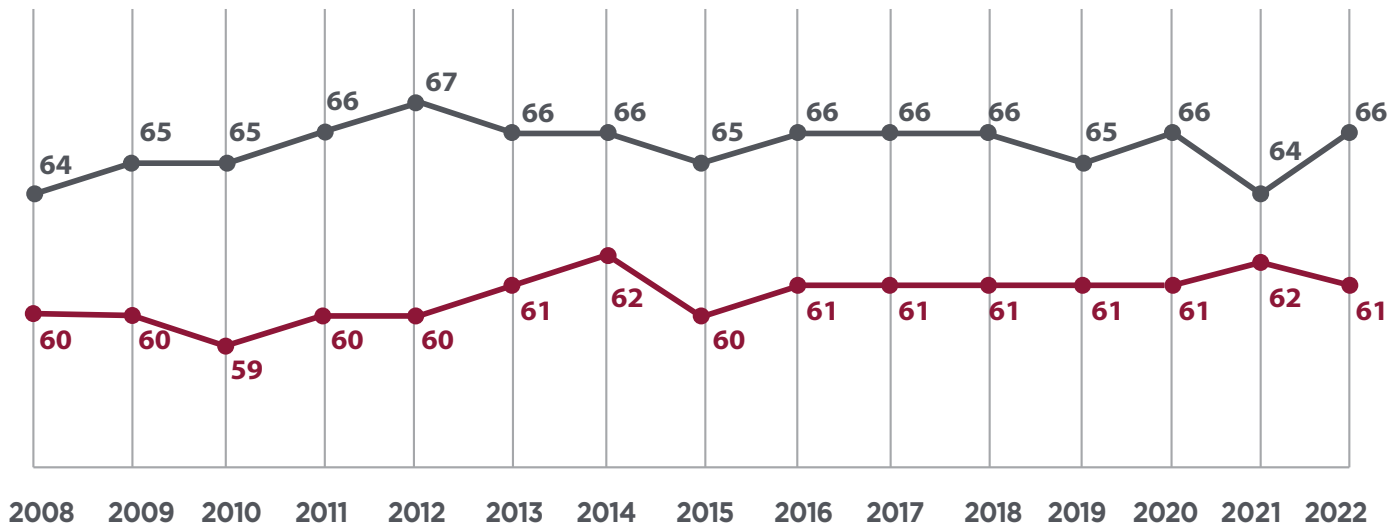
In fact, the age people expect to retire is often higher than the actual age at which most retire. Of respondents to a Society of Actuaries survey, 50% of pre-retirees indicated they expected to retire at age 65 or later. However, the responses of current retirees showed a different picture. Only 20% retired at age 65 or after; 78% retired before reaching 65.²

¹ Social Security. "Retirement & Survivors Benefits: Life Expectancy Calculator." <https://www.ssa.gov/OACT/population/longevity.html>. Accessed May 26, 2023.

² Greenwald Research. Society of Actuaries Research Institute. February 2022. Page 77. "2021 Retirement Risk Survey." <https://www.soa.org/48fd8a/globalassets/assets/files/resources/research-report/2021/risks-retirement-findings.pdf>. Accessed May 26, 2023.

Americans' Actual vs. Expected Age of Retirement³

- Average expected retirement age among non-retirees
- Average actual retirement age among retirees



³ Jeffrey M. Jones. Gallup. July 22, 2022. "More in U.S. Retiring, or Planning to Retire, Later." <https://news.gallup.com/poll/394943/retiring-planning-retire-later.aspx>. Accessed May 26, 2023.

The Importance of Income Planning

Statistics about savings folks have accumulated for retirement could be considered worrisome. Fewer than seven in 10 American workers (68%) are confident they will be able to comfortably retire, according to the 23rd Annual Transamerica Retirement Survey. More than half (53%) of respondents indicated they do not have enough income to save for retirement, and the same percentage said debt is interfering with their ability to save. Furthermore, 42% of workers said they prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date.⁴

Most financial professionals implore Americans to begin saving for retirement as early as possible and continually add to those accounts throughout their working careers. Any reluctance to opt in to a company's plan can cost pre-retirees a sizable amount of savings.

To see how substantial the potential loss in savings could be, consider three investors. A 28-year-old who contributes \$6,000 per year will save an estimated \$890,000 by age 65. Meanwhile, a person who begins to contribute \$6,000 a year at age 35 will save \$565,000 by age 65. However, if an individual waits until age 50 to start contributing \$6,000 a year (plus the \$1,000 "catch-up" contribution allowed for ages 50 and up), they will save \$189,100 by age 65. That person who waited 22 years lost an estimated \$700,000 in retirement savings.⁵

The example is hypothetical and provided for illustrative purposes only. It is not intended to represent a specific investment product. Assumes annual contribution of \$6,000 until age 50, and \$7,000 from age 50 to age 65; also assumes 6% average annual portfolio growth.

⁴ Transamerica Institute. May 2023. "Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce." Pages 66 and 70. <https://transamericainstitute.org/docs/default-source/research/stepping-into-the-future-employers-workers-multigenerational-workforce-report.pdf>. Accessed May 26, 2023.

⁵ Charles Schwab. Sept. 5, 2022. "Waiting to Save for Retirement Could Cost You." <https://www.schwab.com/resource-center/insights/content/waiting-to-save-retirement-could-cost-you>. Accessed May 26, 2023.

Today's Retirees

Retirement Statistics	Data
Average cost of retirement⁶	\$1.25 million
Workers' median household retirement savings⁷	\$65,000
Median annual cost of moving to an assisted living facility⁸	\$54,000
Percentage of pre-retirees who are concerned about not being able to afford long-term care⁹	62%
Percentage of pre-retirees who are concerned they might deplete all their savings¹⁰	59%
Percentage of private industry workers who expect to receive income from a defined benefit pension¹¹	15%
Percentage of workers who expect to work for pay in some capacity during retirement¹²	73%

⁶ Adam Hardy. Money. Oct. 26, 2022. "Americans Expect a Comfortable Retirement Will Now Cost Them \$1.25 Million." <https://money.com/comfortable-retirement-cost-expectations/>. Accessed May 26, 2023.

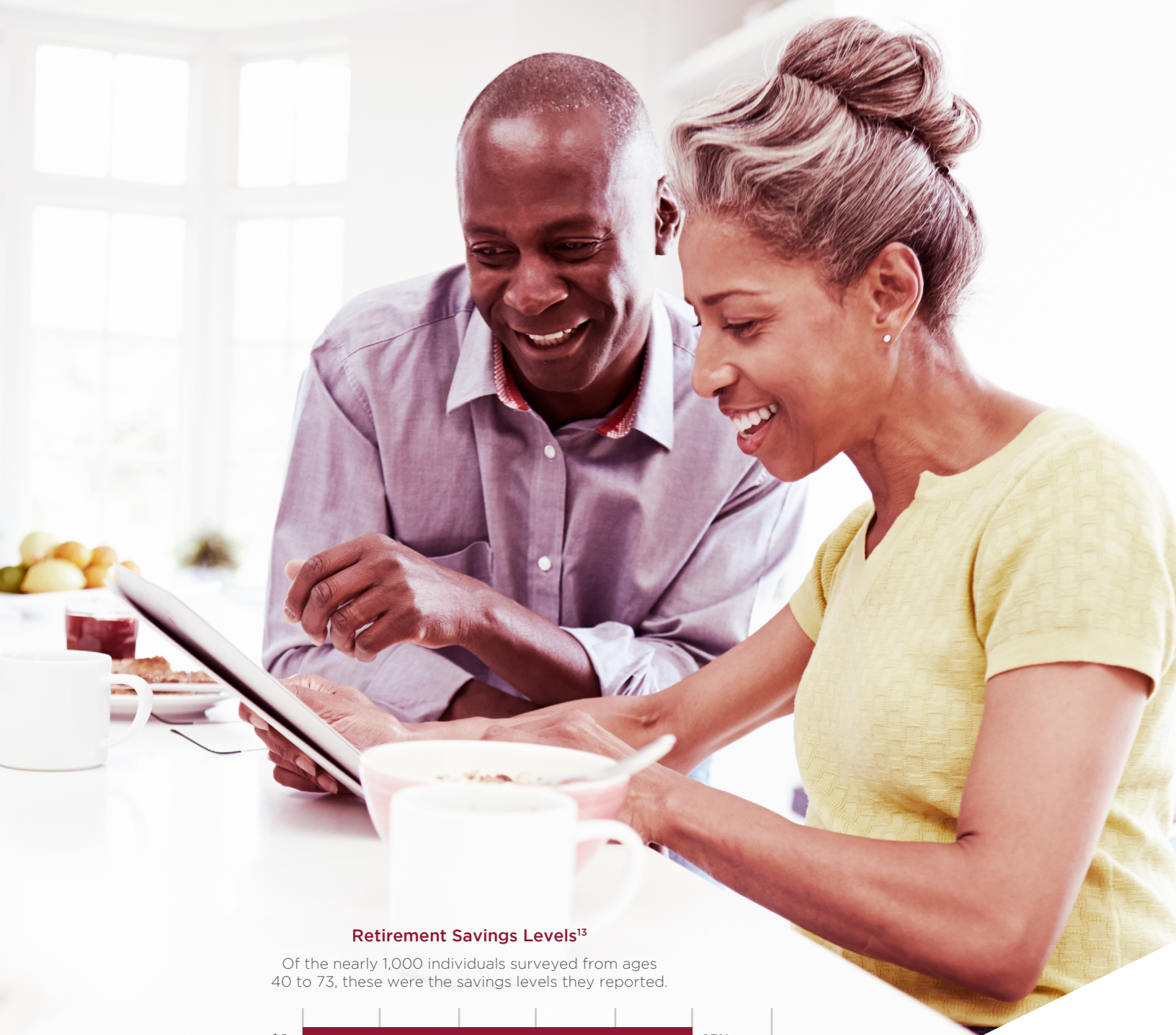
⁷ Transamerica Institute. May 2023. "Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce." Page 92. <https://transamericainstitute.org/docs/default-source/research/stepping-into-the-future-employers-workers-multigenerational-workforce-report.pdf>. Accessed May 26, 2023.

⁸ Genworth. June 2, 2022. "Cost of Care Survey." <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>. May 22, 2023.

^{9,10} Greenwald Research. Society of Actuaries Research Institute. October 2022. "2021 Retirement Risk Survey Brief Report: Identifying Retirement Risks and Trends." Page 10. <https://www.soa.org/4a99ba/globalassets/assets/files/resources/research-report/2022/2021-retire-risk-survey-brief.pdf>. Accessed May 26, 2023.

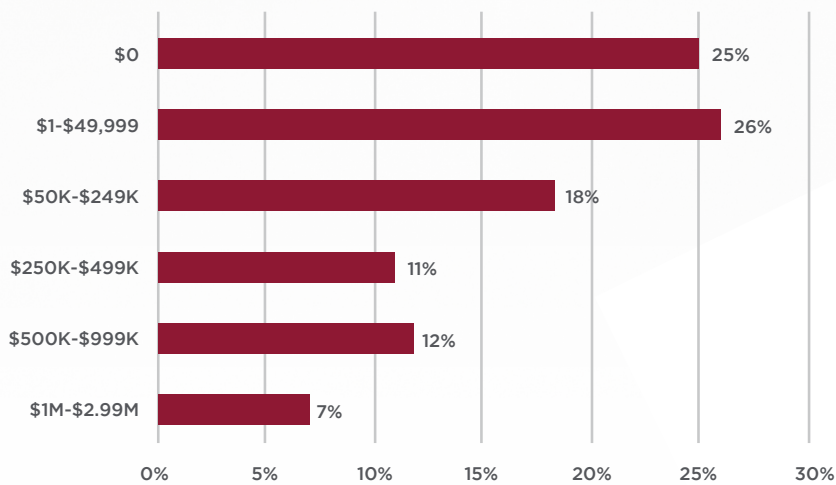
¹¹ Insured Retirement Institute. Aug. 31, 2021. Page 13. "Retirement Readiness Among Older Workers 2021." https://www.ironline.org/wp-content/uploads/legacy/default-document-library/iri-retirement-readiness-2021_fullreport.pdf. Accessed May 26, 2023.

¹² Employee Benefit Research Institute and Greenwald Research. "2023 Retirement Confidence Survey." Page 43. https://www.ebri.org/docs/default-source/rcs/2023-rcs/2023-rcs-short-report.pdf?sfvrsn=7c8d392f_6. Accessed May 26, 2023.



Retirement Savings Levels¹³

Of the nearly 1,000 individuals surveyed from ages 40 to 73, these were the savings levels they reported.



¹³ Insured Retirement Institute. Aug. 31, 2021. Page 8. "Retirement Readiness Among Older Workers 2021." https://www.iri-online.org/wp-content/uploads/legacy/default-document-library/iri-retirement-readiness-2021_fullreport.pdf. Accessed May 26, 2023.



The Value of an Objective Opinion

In a longer lifespan, you're more likely to encounter periods of both good and bad market performance. For that reason, when planning for retirement, it's increasingly important to seek guidance from a financial advisor who can help you structure an income strategy that reflects your financial situation, risk tolerance and investment objectives. You don't want just any financial advice, but objective financial advice.

With so much at stake, it's important that you can feel confident with a financial advisor to consider a wide variety of possible solutions, including both investment and insurance products, before making any recommendations. You also want to have confidence that the recommendations being provided to you by your financial advisor are appropriate for you.

Within the financial services industry, there are independent financial professionals who operate as self-employed business owners and sell the products of multiple financial institutions.

This contrasts with financial professionals who represent a financial institution and are employees of that institution. These employees are generally referred to as “captive” financial professionals.

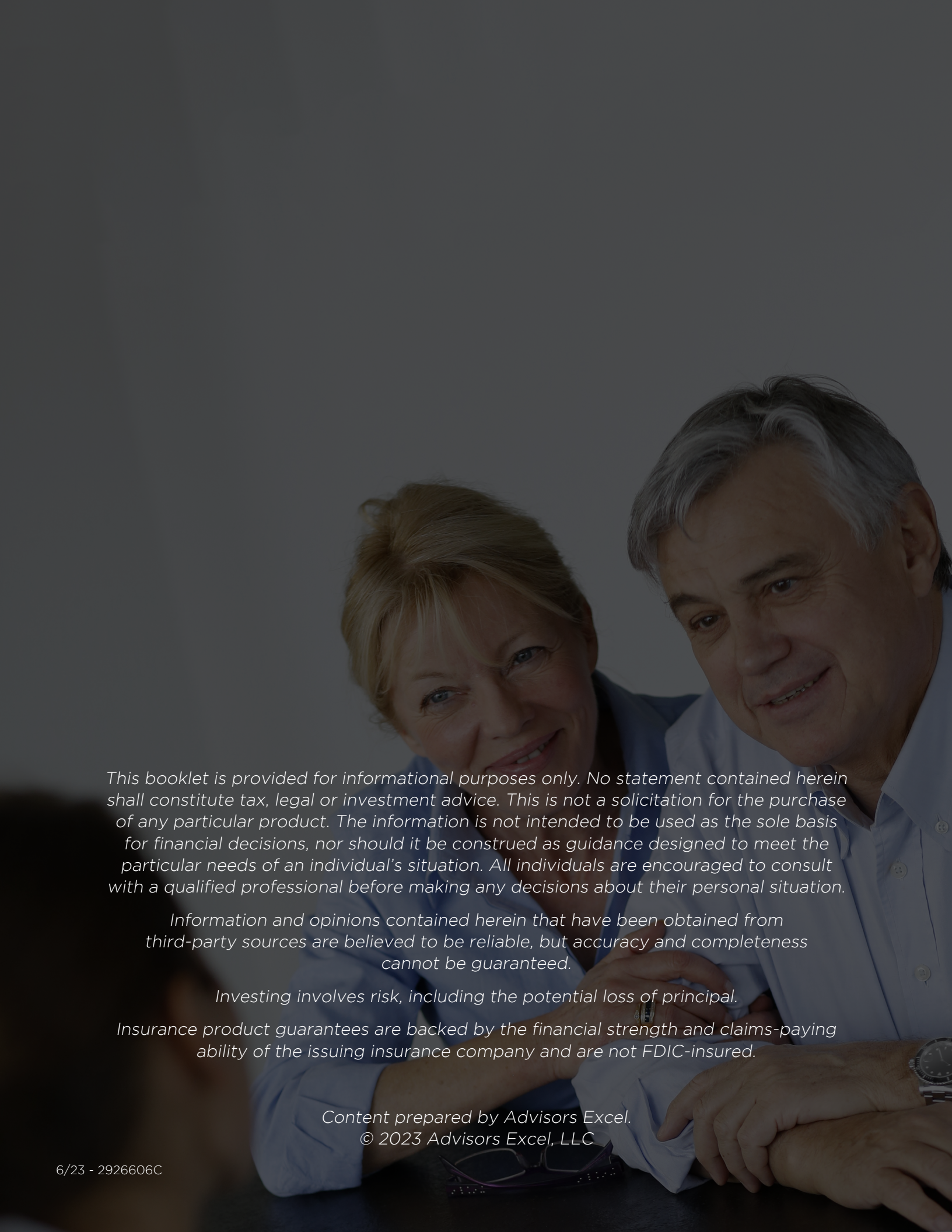
While captive financial professionals are typically required to sell only the proprietary products of the financial institution that employs them, independent financial professionals are able to work with many financial institutions, providing their clients with a wider array of products from which to choose, potentially increasing the likelihood of being able to provide the right product or products for their clients’ particular situations. Many independent financial advisors can help individuals create retirement strategies using a variety of investment and insurance products.

As small-business owners, independent financial advisors are likely to have fewer clients than larger companies. If “the personal touch” is important to you, you may have more luck finding it with an independent financial advisor. There’s also something to be said for working directly with the business owner, who understands and has a greater appreciation for the impact each client has on his or her business.

Independence

As the demand for objective advice grows, it stands to reason more people may choose to work with independent professionals. Independent financial advisors are not forced to sell only the proprietary products of a single financial institution; rather, they generally have access to a larger selection of possible solutions from a wide range of financial institutions to help clients work toward their financial goals.

Planning for retirement income today can be challenging. For this reason, you may want to consider securing objective financial advice to help you meet this challenge, and take steps to help keep you on the path toward your desired financial future.



This booklet is provided for informational purposes only. No statement contained herein shall constitute tax, legal or investment advice. This is not a solicitation for the purchase of any particular product. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as guidance designed to meet the particular needs of an individual's situation. All individuals are encouraged to consult with a qualified professional before making any decisions about their personal situation.

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