

## INCOME SUCCESS RATE

Carl is 65 and a former school teacher. He enjoyed his students. But he's ready to start enjoying retirement now. He's more interested in **income certainty** than growth. How can he help ensure his money will last?

### Carl's Original Retirement Income Plan

- Carl plans to withdraw **4%** of his **\$500,000** nest egg to get **\$20,000** a year.
- Carl hopes to take his withdrawals for **30** years if possible.
- Carl has his assets in a **60/40** stock/bond mix.

### Carl's Income Success Rate = **52.8%**

Using the chart below, which shows results of a Morningstar series of simulations, Carl sees that he may only have a **52.8%** chance of his income lasting the 30 years he needs it. That's practically a "coin flip."

<b>4% INITIAL WITHDRAWAL</b>				
Withdrawal Period:	20 Years	25 Years	30 Years	35 Years
Stock/Bond %	Success Rate %			
<b>40/60</b>	93.4	71.7	49.0	33.4
<b>60/40</b>	87.7	68.8	52.8	41.7
<b>80/20</b>	81.9	65.3	52.8	44.5

### Carl Wants to Count on More than a "Coin Flip" for his Future

Think about it this way ... would you get on an airplane if a **coin flip** decided if it was going to be a successful flight? Probably not. And Carl wouldn't either. He wants to guarantee his money lasts a long time. A **single premium immediate annuity (SPIA)** may help do just that. See Carl's new plan on back.

#### RELATIONSHIPS FIRST

## Carl's New Retirement Income Plan

- Carl places **\$200,000** in a SPIA, with a Life-and-10-Year payout and **2%** Increasing Payout Option, paying him **\$11,000** yearly (increasing 2% per year) for **life**.
- Carl reduces withdrawals on his remaining **\$300,000** in assets to a smaller **3%** to also receive **\$9,000** yearly.
- Carl leaves his assets in a **60/40** stock/bond mix account for now.

3% INITIAL WITHDRAWAL				
Withdrawal Period:	20 Years	25 Years	30 Years	35 Years
Stock/Bond %	Success Rate %			
<b>40/60</b>	99.8	96.8	89.3	78.3
<b>60/40</b>	98.5	92.8	83.8	75.3
<b>80/20</b>	95.3	87.1	78.8	71.6

## Carl's New Plan Guarantees Over Half His Needs ... and Increases His Income Success Rate

Carl's new plan jumps the Income Success Rate of asset withdrawals to **83.8%**. Plus the SPIA portion is at a **100%** success rate because he'll never run out of SPIA payouts ... not just for **30** years ... **but for the rest of his life!**