

HOW WILL YOU GET PAID AFTER YOU RETIRE?

UNDERSTANDING RETIREMENT INCOME

AMERICANS ARE LIVING LONGER. IN FACT, THERE IS A 35 PERCENT CHANCE THAT AT LEAST ONE OF A 65-YEAR-OLD COUPLE RETIRING TODAY WILL LIVE TO AGE 95, OR OLDER.¹ HOW WILL YOU PAY YOUR BILLS, AVOID FINANCIAL WORRIES AND ENJOY A RETIREMENT THAT MAY LAST 30 YEARS OR MORE?

Most Americans pay Social Security taxes throughout their working lives, begin receiving Social Security payments when they retire, and expect those benefits to continue until they die. Some will receive pensions from an employer, and some may be able to continue working. But with pensions rapidly disappearing and the potential difficulty finding and continuing employment to an advanced age, many will have to rely on their own retirement savings to make up the difference between what they need and what Social Security and other sources can provide. How much additional income will you need, and how much income can your savings provide? More than six in 10 Americans nearing retirement age have no idea.²



SOCIAL SECURITY

The average Social Security benefit for a married couple in 2018 is **\$28,080 per year.**³ Is this enough for your needs? If you require more income it will have to come from other sources. Visit www.ssa.gov/benefits/retirement/estimator.html to estimate your Social Security benefits.



PENSIONS

64% of retirees receive **25% or more of their income from a pension**⁴, yet only **18%** of today's private sector workers have access to one.⁵ Do you expect to receive meaningful lifetime income from a pension?



EMPLOYMENT

77% of retirees receive **no employment income**⁶, but 37% of younger workers believe employment will provide meaningful income in retirement.⁷ Is employment part of your plan, and are you sure you can rely on it?



RETIREMENT SAVINGS

Only **25%** of **baby boomers are confident** their savings will last throughout retirement, yet 7 in 10 say it is important for retirement income from savings to be guaranteed for life.⁸ How will you save enough, and make your savings last?



If you do not expect income from a pension or employment, Social Security won't be enough, and you have (or expect to build) retirement savings, consult a financial advisor. Mutual funds, stock and bonds, other securities, CDs, as well as fixed, variable and immediate annuities that can provide guaranteed lifetime income, all have a potential role to play in your retirement portfolio. A financial advisor can help design yours to maximize the income you can potentially receive. An advisor can also help ensure your savings will last as long as you do, and help you manage other aspects of retirement such as health care and long-term care.⁹ Visit www.retireonyourterms.org for more information about retirement income, selecting a financial advisor, and to access calculators that can help you better understand your retirement readiness.



Supplementing Social Security benefits with income from savings and other sources will be even more critical in the future.

SOCIAL SECURITY RESERVES ARE PROJECTED TO BE EXHAUSTED IN 2034.

Thereafter, absent changes, scheduled tax income is projected to be sufficient to pay only about three-quarters of scheduled benefits.¹⁰



FOOTNOTES AND IMPORTANT DISCLOSURES

- ¹ Society of Actuaries Longevity Illustrator
- ² "Boomer Expectations for Retirement 2018," IRI 2018
- ³ Social Security Administration
- ⁴ "Retirement, Income, and Risk - 2nd Biennial Study in the American Retirement Experience," IRI 2018
- ⁵ Bureau of Labor Statistics' National Compensation Survey
- ⁶ "It's All About Income," IRI 2016
- ⁷ "Millennials and Retirement," IRI 2017
- ⁸ "Boomer Expectations for Retirement 2018," IRI 2018
- ⁹ Investing in variable annuities involves investment risk, including loss of principal. Guaranteed income and death benefits provided by annuities are subject to the claims paying ability of the issuers.
- ¹⁰ "A Summary of the 2018 Annual Reports," Social Security and Medicare Board of Trustees 2018

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Insured Retirement Institute

1100 Vermont Ave. NW
 10th Floor
 Washington, D.C. 20005
 202-469-3000
iri@irionline.org
myIRIonline.org