

When will you need the most retirement income?



Research shows that spending is highest early in retirement and declines with age.

When it comes to retirement spending, one of the common misconceptions is that a retiree's expenses will remain the same throughout retirement—or possibly even rise due to inflation. However, research shows that overall expenditures actually decline throughout retirement.*

Total annual expenditures by age

Annual Spending	Age 65-74	Age 75+	% Change 65-75+
Apparel & Services	\$960	\$617	-36%
Entertainment	2,723	1,682	-38%
Food & Alcohol	6,750	5,046	-25%
Healthcare	6,695	6,627	< -1%
Housing	18,492	15,937	-14%
Transportation	7,676	4,205	-45%
Miscellaneous & Other	5,360	5,360	—
Personal Insurance & Other	3,700	1,365	-63%
Total Expenditures	\$52,356	\$40,839	-22%

Retirement spending generally declines over time in retirement.

\$52,356



\$40,839

*Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey, September 2021.

Typically, newly retired people spend more money than those that have been retired for a few years due to more travel, recreation, or care for elderly parents. But over the long term, living expenses generally tend to decline. Retirees in the highest age brackets usually stop spending money on durable goods, are less likely to make home improvements and may spend less money on travel, entertainment or meals out.

You should carefully consider your needs in the following stages of retirement: early, middle, and late. An annuity with a guaranteed lifetime withdrawal benefit may help meet your need for income throughout your retirement.

The Early Years: “Go-Go Years”	The Middle Years: “Slow-Go Years”	The Later Years: “No-Go Years”
Income need: HIGH	Income need: MODERATE	Income need: LOW
Typically the most active: <ul style="list-style-type: none"> • Travel • Vacation home or home improvements • Grandchildren 	Typically slowing down: <ul style="list-style-type: none"> • Less travel • Downsizing 	Typically the least active: <ul style="list-style-type: none"> • Stay close to home • Not as much entertainment

For more information, contact your financial professional.

Additional Information about Annuities

Annuities are long-term products designed for retirement. In the Growth stage, they can help you build assets on a tax-deferred basis. In the Income stage, they can provide you with guaranteed lifetime income through standard or optional features. A contract can be annuitized in order to receive lifetime income payments for no additional cost if a lifetime annuity option is chosen. Guaranteed lifetime withdrawal benefits and guaranteed living benefit riders may be optional or standard. Additional fees, age restrictions, withdrawal parameters, and other limitations apply. With variable annuities, certain investment requirements also apply.

Early withdrawals may be subject to withdrawal charges and a Market Value Adjustment (MVA) may also apply to certain fixed annuities and index annuities. Partial withdrawals may reduce benefits available under the contract, as well as the amount available upon a full surrender. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. Keep in mind, for retirement accounts (such as IRAs), an annuity provides no additional tax-deferred benefit beyond that provided by the retirement account itself. An investment in a variable annuity involves investment risk, including the possible loss of principal. The contract, when redeemed, may be worth more or less than the total amount invested.

Variable annuities are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges, expenses and other information regarding the contract and underlying funds, which should be considered carefully before investing. A prospectus may be obtained by calling 1-800-445-7862. Please read the prospectus carefully before investing.

All contract and optional benefit guarantees, including any fixed account crediting rates or annuity rates, are backed by the claims-paying ability of the issuing insurer. They are not backed by the broker/dealer from which this annuity is purchased. The purchase of an annuity is not required for, and is not a term of, the provision of any banking service or activity.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Annuities issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York. Certain annuities issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX, except in New York. In New York, annuities issued by **The United States Life Insurance Company in the City of New York** (US Life). AGL and VALIC do not solicit, issue or deliver contracts in New York. **Variable annuities are distributed by AIG Capital Services, Inc.** (ACS), Member FINRA, 21650 Oxnard Street, Suite 750, Woodland Hills, CA 91367-4997, 1-800-445-7862. AIG Life & Retirement is part of American International Group, Inc. (AIG). It includes Individual Retirement, Group Retirement, Life Insurance and Institutional Markets, as well as issuing companies AGL, VALIC and US Life. All are members of AIG.

1-800-445-7862

lifeandretirement.aig.com

Not FDIC or NCUA/NCUSIF Insured
May Lose Value • No Bank or Credit Union Guarantee
Not a Deposit • Not Insured by any Federal Government Agency

We see the future in you.™

