

RETIREMENT RELATED FACTS TO SHARE WITH CLIENTS



One of the greatest areas to find business is in retirement planning. Anyone nearing retirement has a million questions and needs to feel they are receiving the information they need to make decisions. With life insurance and annuities, American National can provide your clients the products they need to complete a successful retirement. After all, we sell INCOME!

The two greatest questions future retirees have are: where will I get my cash flow from and will I have enough to retire on?

The federal government released a study in 2019 that studied retirement related issues such as are people prepared for retirement at various ages. Let's go over what they found as these are facts from the government, we can replay to our clients who are thinking about retirement or who should be thinking about retirement. Always keep in mind as well that clients should start at an early age to put money away for retirement to benefit from the magic of compounding. Waiting to start until you are 55, means you will need to put away considerably more money to reach your objectives by age 67 or even 70 if that is possible.

This information was gathered in the fall of 2018 with the report called "Report on Economic Well-Being of U.S. Households in 2018" from the Fed.

- 44% of non-retired adults say they are not on-track with their retirement plan
- 25% of non-retired adults have no retirement assets or savings
- 36% of non-retired adults say they are on track to retire

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- Only 2 of 10 non-retired adults under age 45 are on-track for retirement based upon their age
- Nearly half of retirees retired prior to age 62
- 8 in 10 adults have at least one credit card and of those, 47% pay their card in full each month
- 27% carry a balance throughout the year

When talking about retirement with clients there are several areas that should be covered. See below:

- Help your client define their retirement goals
- Detail what family obligations the client will have such as education, weddings etc.
- Review health care expenses now and in the future
- Will the home be paid off in retirement in that debt increases risk in retirement?
- Plan cash flow and savings together
- Any Charitable intent that needs to be planned for
- Will the client work in retirement? If not, what hobbies will they pursue and what will be the cost of such activities

Experts talk about needing 80% of your earned income in retirement due to the fact that retirement has become another life stage that can go on for 30 years or more. Experts also talk about needing \$80,000 per year to have a comfortable retirement.

There is no one answer that will fit everyone, so it is important that you gather sufficient information to know what your client's situation is and what they need to do. Most individuals think that their 401k will suffice to provide them retirement income along with social security. Typically, that will not be enough to get them through this chapter of their life and individuals will need to find other sources of income from non-qualified assets such as annuities and life insurance.

For questions and more information, contact the Advanced Sales Department at 888-504-2550 ext. 5767.

[Download the SUPPLEMENTAL RETIREMENT INCOME Strategic Planning Tools brochure.](#)

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