

5 steps to retirement readiness

You're moving forward and feeling optimistic about the future. Now what? Prudential and your financial professional are here to provide whatever you need to help make the retirement you deserve a reality.



It's easy to begin:

1. Start now

Yes, just start! It can seem hard to keep up with inflation and the cost of living, especially while paying off student loans or other debt and trying to plan for retirement. But the most important thing to do is to start, even if retirement is decades away for you or all you can start with are a few dollars here and there. **They will add up!**

2. Identify your specific goals

What exactly do you want to achieve? Be as specific as you can. Include dollar amounts or ranges if you can, and think about things like:

- **When?** When would you like to retire? How much money will you need each year?
- **What?** What debts do you need to pay off? How much do you owe?
- **What else?** Are you planning to make any large purchases? How much will you need?
- **Who?** Will you take care of anyone else financially and, if so, in what way? How much will you need?

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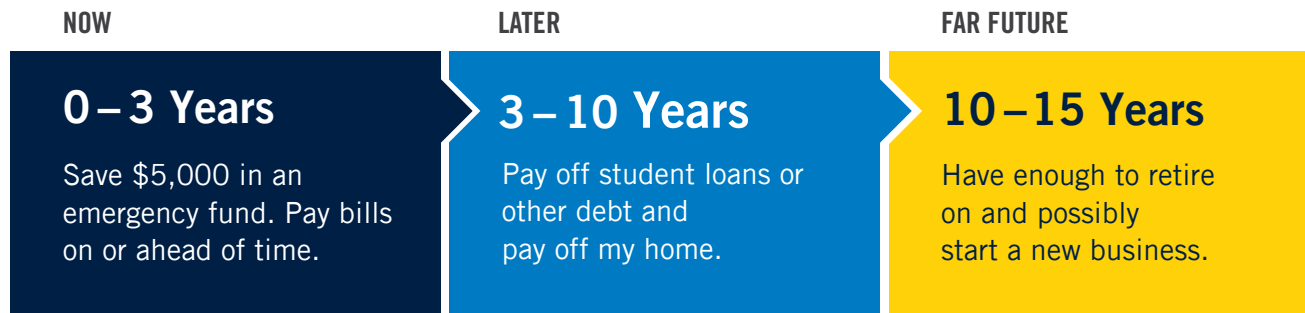
CAN YOU RELATE?

53% of Black Americans surveyed feel overwhelmed by all the ways to invest their money.¹



3. Break your goals down by time

Bucketing your goals into time periods can help you clarify them while mapping out a plan to help make achieving them more possible. Use a timeline or 5-year increments if you'd like. Here's an example for someone with 15 years until they'd like to retire:



4. Learn about investments and financial vehicles

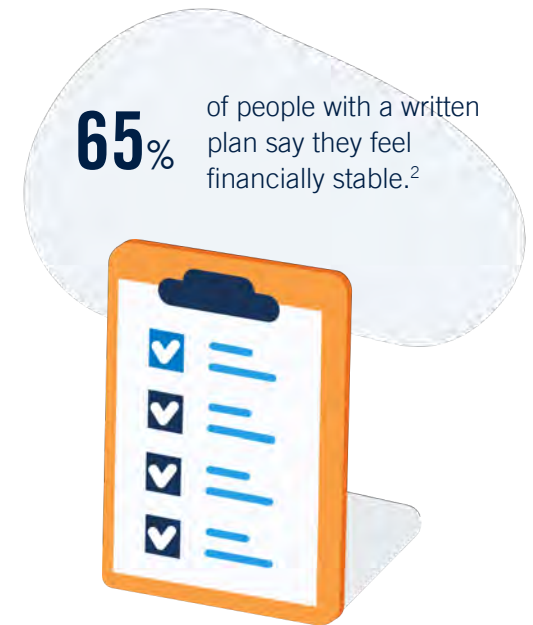
Although you don't need to learn everything there is to know about these things, you will likely feel more in control when you understand the basics. Here are some key areas to focus on:

- **Investing:** If you'd like to build your wealth and want to maximize growth, search online for the basics of investing.
- **Life insurance:** Life insurance can provide a foundation for your financial life. It can not only serve as a key first step to protecting your family's future, but also help you build a source of money you could use to supplement your retirement income.
- **Annuities:** Annuities can help you invest for the future and even create lifetime income that's guaranteed. Annuities are designed for retirement and come in several varieties to fit different goals and styles.
- **Long-term care options:** Since health issues can throw off your retirement plans, accounting for health expenses in retirement is important. You might be able to get long-term care insurance through your employer or add a feature to a life insurance policy that can free up money within the policy by allowing you to access the death benefit if you become chronically or terminally ill. Such riders will have qualifying terms and conditions and are typically available for an extra cost.

5. Enlist professional help to create your plan

Remember you don't have to do it all alone. An experienced financial professional will help you balance your needs for today with your plans for tomorrow, while providing advice and support. Although financial professionals called financial planners charge a fee or earn a commission from anything you buy, much of what other financial professionals do is free. They can help you with:

- **Investment education**—Understanding the types of investments available and evaluating the level of risk you are comfortable with; then helping you choose investments—whether inside an employer-offered retirement plan or on your own.
- **Prioritizing**—Determining the best order in which to address each of your goals.
- **Financial products**—Understanding your Social Security benefits when you retire, long-term care options, and whether incorporating life insurance and/or an annuity makes sense for you.
- **Enacting your plan**—Getting any financial products or investments in place while incorporating strategies to help save on taxes.



Who's Your Rock?

Talk to a financial professional, who can help you understand what you can do in the short term and plan for the long term.

How you can help the next generation

Do you know a student who'd like hands-on investment education?

Prudential Financial, in partnership with the Student Freedom Initiative and Stackwell, is launching the Student Investment Program to help build generational wealth for students of color. The program helps students from participating institutions learn how to invest in financial markets.

▶ Learn more at Student Investment Program:
<https://studentfreedominitiative.org>

¹2022 Kantar U.S. Monitor. Sample sizes: Black consumers n=1513; Non-Hispanic White n=7074; Hispanic n=1196; Other n=714; Total n=10497. Sample is representative of the U.S. adult population age 18+.

²Charles Schwab, 5 Ways Financial Planning Can Help, <https://www.schwab.com/learn/story/5-ways-financial-planning-can-help>, January 2022.

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