

Freedom to Spend

How to Enjoy Your Retirement Assets



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The Past: Retirees Did Not Feel Free to Spend Retirement Savings

Retirement Asset Resilience

The retirement industry has done a good job of helping people prepare for a potential retirement planning crisis over the past few decades. *Maybe too good.* Because even though retirees succeeded in **building** retirement assets ... many did not feel comfortable **spending** them.

Retirees may have felt their assets were more resilient if they experienced:

- › Generally positive market results on portfolios
- › Beneficial Social Security and Medicare changes
- › Certainty from receiving a pension
- › Positive real estate appreciation numbers
- › Fewer medical events than anticipated

Perhaps because of factors like these, one study published in 2017 found that over a 20 year period, retirees maintained up to **80%** of their assets ... across all consumer income levels!



80%
OF RETIREE ASSETS
WERE **NOT** SPENT
IN RETIREMENT

¹ Historical data as cited in BlackRock Retirement Institute, *Spending Retirement Assets...or Not?* Nov. 2017 (latest available). Original study findings cited with additional details in BlackRock's *To Spend or Not to Spend?* white paper, January 2023.

Good News. But Hesitant Views.

Favorable financials are good news. But despite that, many retirees view spending retirement assets with hesitancy.

PRIMARY REASONS RETIREES DON'T SPEND RETIREMENT ASSETS²

- 44%** Saving for unforeseen retirement expenses
- 43%** Afraid of running out of money in retirement
- 36%** Wanting to leave as much as possible to heirs

Changing Old Habits. Enjoying Future Income.

These reasons can create a mental barrier against retirement spending.

After decades of saving ... saving ... and saving, it can be hard to change habits from building a nest egg to using it. But there are tools to help you go from saving up to drawing down, so you can enjoy the fruits of your past labor — in your retirement future.

² Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

The Future: Retirees May Need to Spend Assets More in Retirement

The Past is No Guarantee of the Future

Even though retirement assets were resilient in the past, new and growing financial **challenges** may confront future retirees. Challenges that may more significantly affect your retirement assets. Requiring you to spend more in retirement. Check the facts:

PRIVATE SECTOR PENSIONS DISAPPEARING^{3,4}

87% IN 1980 | **15%** IN 2022

Takeaway: Pensions provided income for life. Without one, retirees must depend on Social Security and their own savings to cover living expenses.

SOCIAL SECURITY BENEFITS ERODING⁷

100% of scheduled benefits payable until 2033 | **77%** of scheduled benefits payable in 2034

Takeaway: Less Social Security income for future retirees means more to make up with personal savings.

LIFE SPANS EXPANDING^{5,6}

IN 1990 | IN 2020
17.2 YEARS (AT AGE 65) | **18.5** YEARS (AT AGE 65)

Takeaway: Retirement savings may have to last 20+ years. That's a long time to cover expenses.

MEDICAL COSTS RISING⁸

\$315,000 Estimated amount a retired couple aged 65 may spend in retirement

Takeaway: Rising medical costs may require retirees to spend more assets.

THE GOOD NEWS? THERE'S A SOLUTION THAT CAN HELP...

³ U.S. Bureau of Labor Statistics, *Employee Benefits in Industry: A Pilot Survey*, July 1980.

⁴ U.S. Bureau of Labor Statistics, *The Economics Daily*, Feb. 1, 2023.

⁵ *Life Expectancy at Age 65*. Health, 2018, Table 4, cdc.gov.

⁶ U.S. Department of Health and Human Services, *National Vital Statistics Reports, Volume 71, Number 2*, August 23, 2022.

⁷ 2023 SSA Trustees Report Summary, www.ssa.gov/oact/trsum.

⁸ Fidelity® Releases 2023 Retiree Health Care Cost Estimate. Fidelity.com, June 21, 2023.

An Income Annuity Can Help Create a Feeling of Freedom

Annuity Income Can Give You a **“License to Spend”** in Retirement

Annuities can create a *steady, stable, secure* and *strong* stream of payouts to help you meet retirement expenses and help ensure you won't run out of money. When you free yourself from these worries, you may feel more comfortable accessing your assets. In that way, it can feel like a **“license to spend”** responsibly. Here are just a few of the benefits an annuity offers that may help you enjoy your retirement future . . .

Steady Income

A stream of income payouts you can count on for a lifetime

Stable Rate

The stability of a guaranteed rate and certain payout

Secure Payouts

The security of set payouts no matter what the market does

Strong Company

All backed by the full financial strength of a highly-rated issuer*

Explore More Retirement Freedom Resources at [WSFinancialPartners.com](https://www.WSFinancialPartners.com)



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No bank guarantee • Not a deposit • May lose value • Not FDIC/NCUA insured • Not insured by any federal government agency

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