

Making the Most of Your Financial Opportunity

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Making the Most of Your Financial Opportunity

- **Planning for Retirement**
- **Paying off Debts**
- **Insurance and Emergency Savings**
- **529 College Savings Plans**
- **Estate Planning**

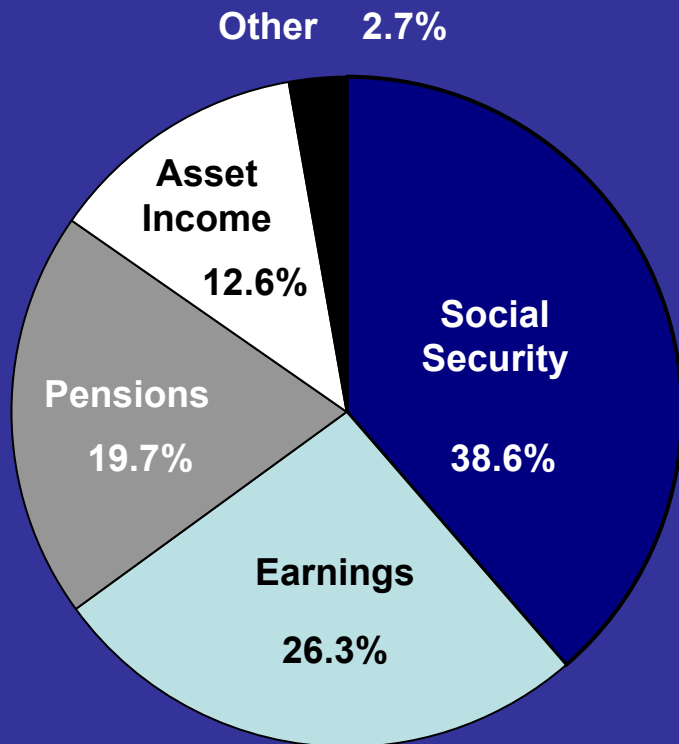
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Planning for Retirement – Social Security

Sources of Income for Retirees - 2004



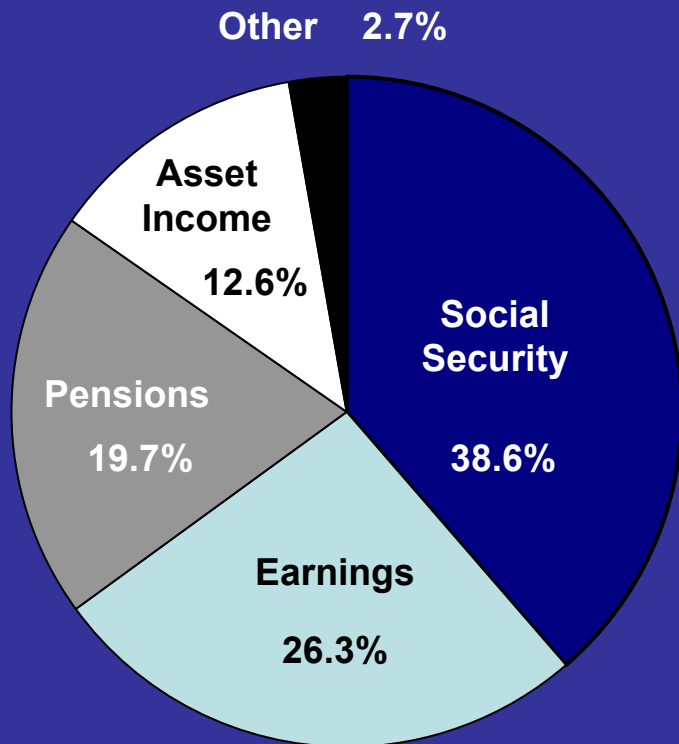
Source:

Social Security Administration - Income of the Aged Chartbook, 2004

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Planning for Retirement – Social Security

Sources of Income for Retirees - 2004

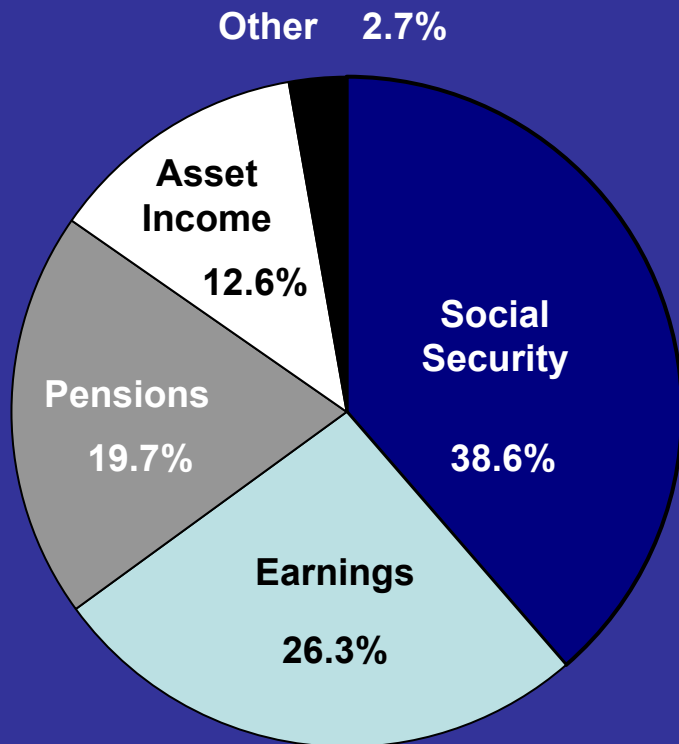


Social Security is intended to supplement income, not fully fund retirement.

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Planning for Retirement – Social Security

Sources of Income for Retirees - 2004



Social Security is intended to supplement income, not fully fund retirement.

Retirees will need 70% to 80% of their pre-retirement incomes to live comfortably in retirement.

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Planning for Retirement – Social Security

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Planning for Retirement – Social Security

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- **Over the next 20 years, nearly 80 million Americans will become eligible for Social Security benefits, more than 10,000 people per day;**

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Planning for Retirement – Social Security

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- Today there are about 35 million Americans age 65 or older;
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- **Without changes, Social Security will begin paying out more benefits that it collects in taxes in 13 years;**

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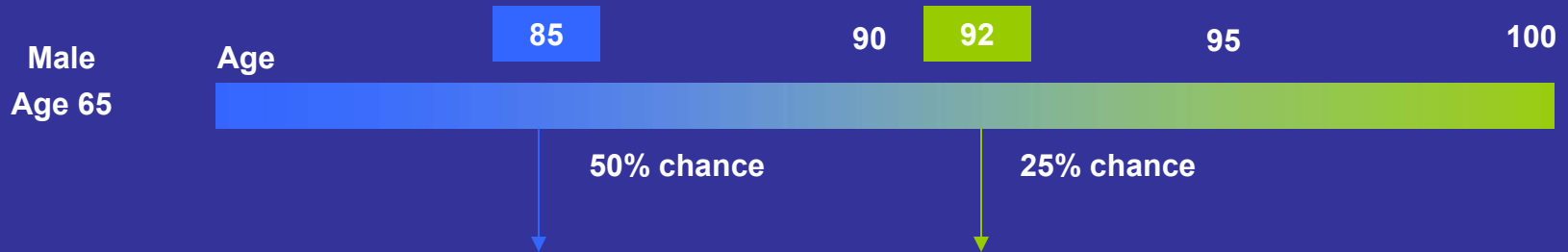
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- Without changes, Social Security will begin paying out more benefits that it collects in taxes in 13 years;
- **If no adjustments are made, the Social Security trust funds will be exhausted by 2042.**

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Planning for Retirement - Longevity



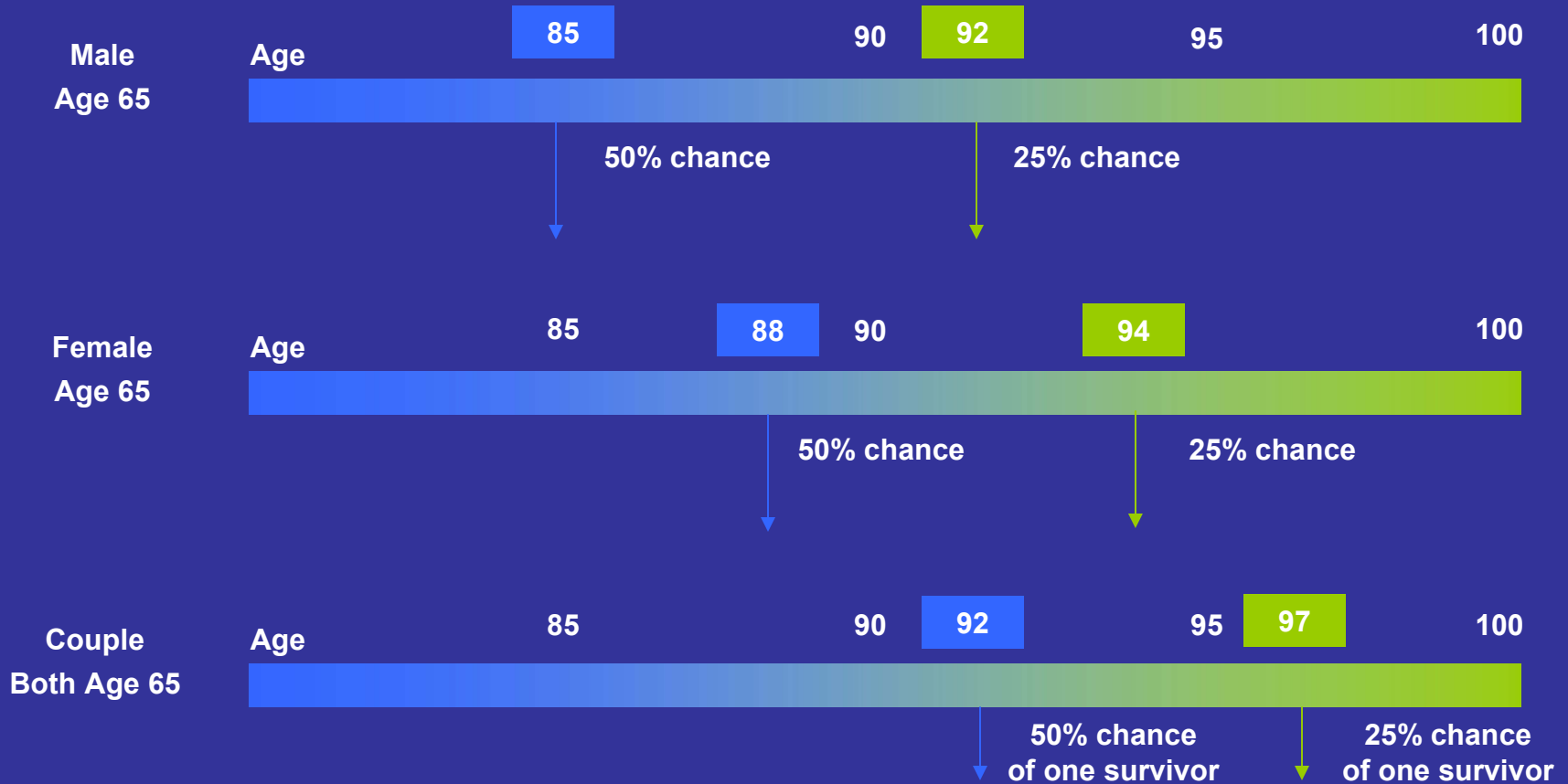
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Planning for Retirement - Longevity



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Planning for Retirement - Longevity



Source: Annuity 2000 Mortality Table, American Society of Actuaries.
 Figures assume you are in good health.

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Planning for Retirement – Health Care

Age at Retirement	Savings Required Life Expectancy (Male 85, Female 88)	Savings Required Planning Age (Male 92, Female 94)
55	\$375,000	\$520,000
60	\$295,000	\$440,000
65	\$215,000	\$360,000

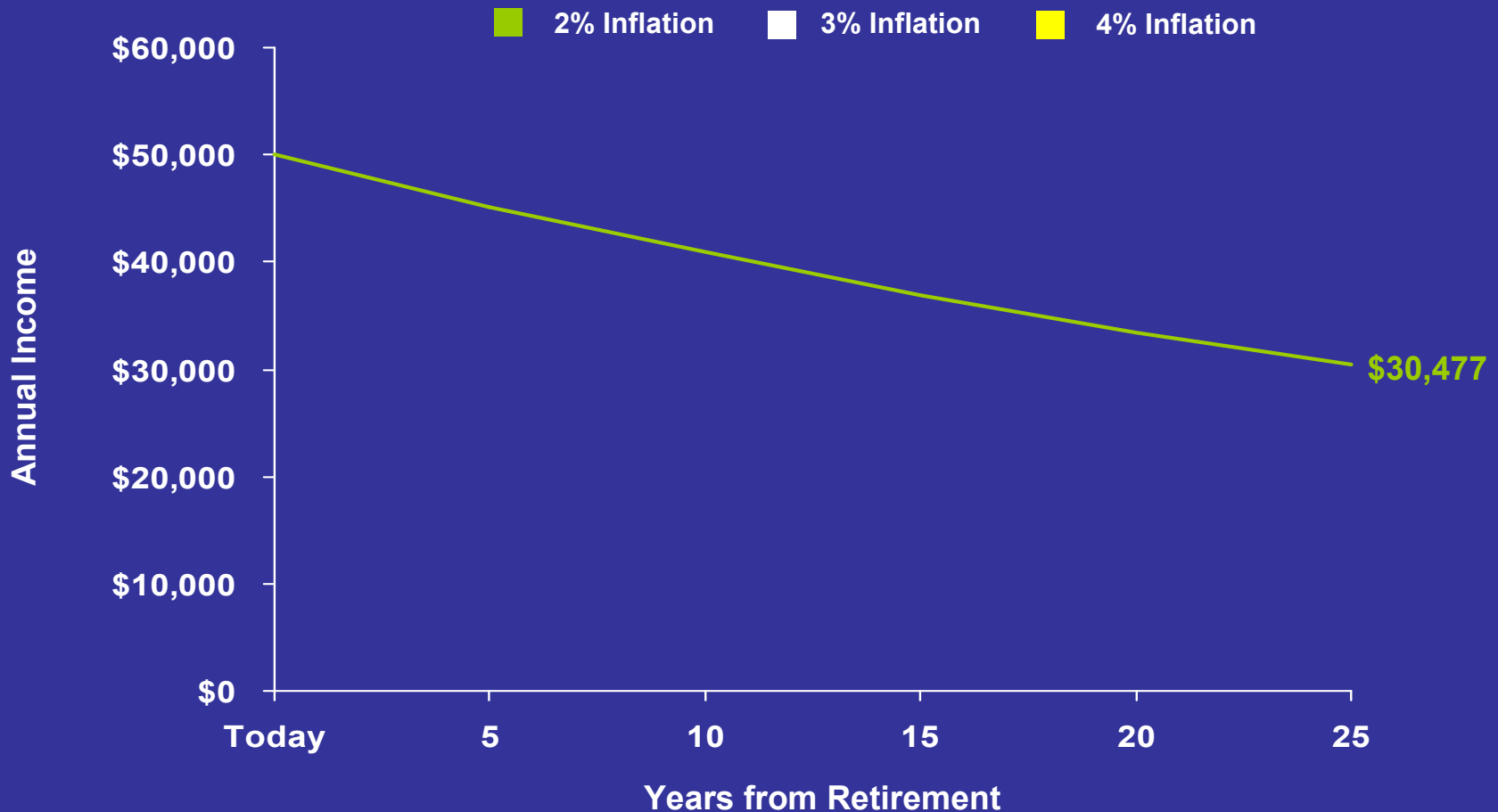
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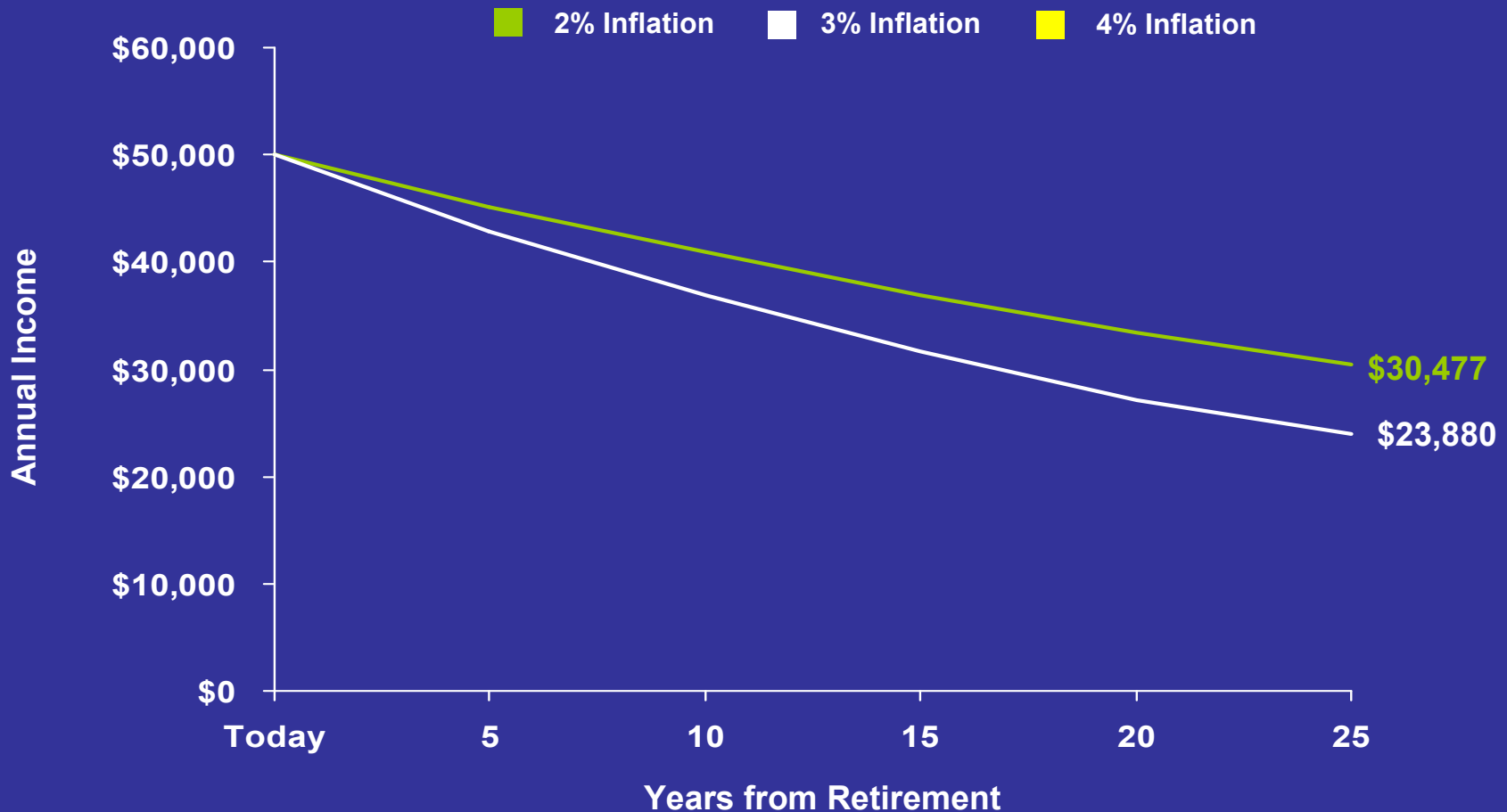
Planning for Retirement – Inflation



All numbers were calculated based on hypothetical rates of inflation (historical average from 1926 to 2006 was 3.04%) to show the effects of inflation over time; actual inflation rates may be more or less and will vary.

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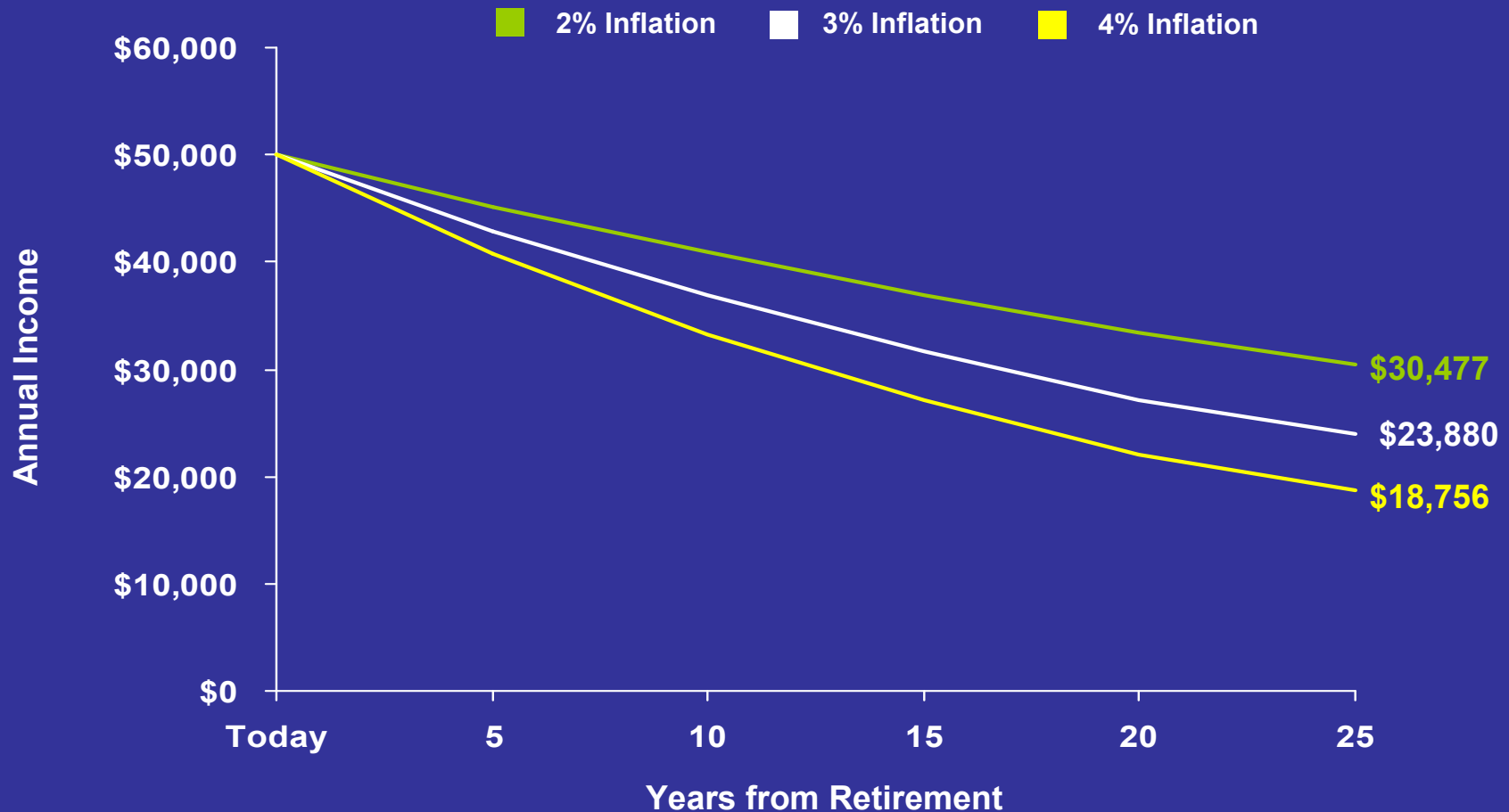
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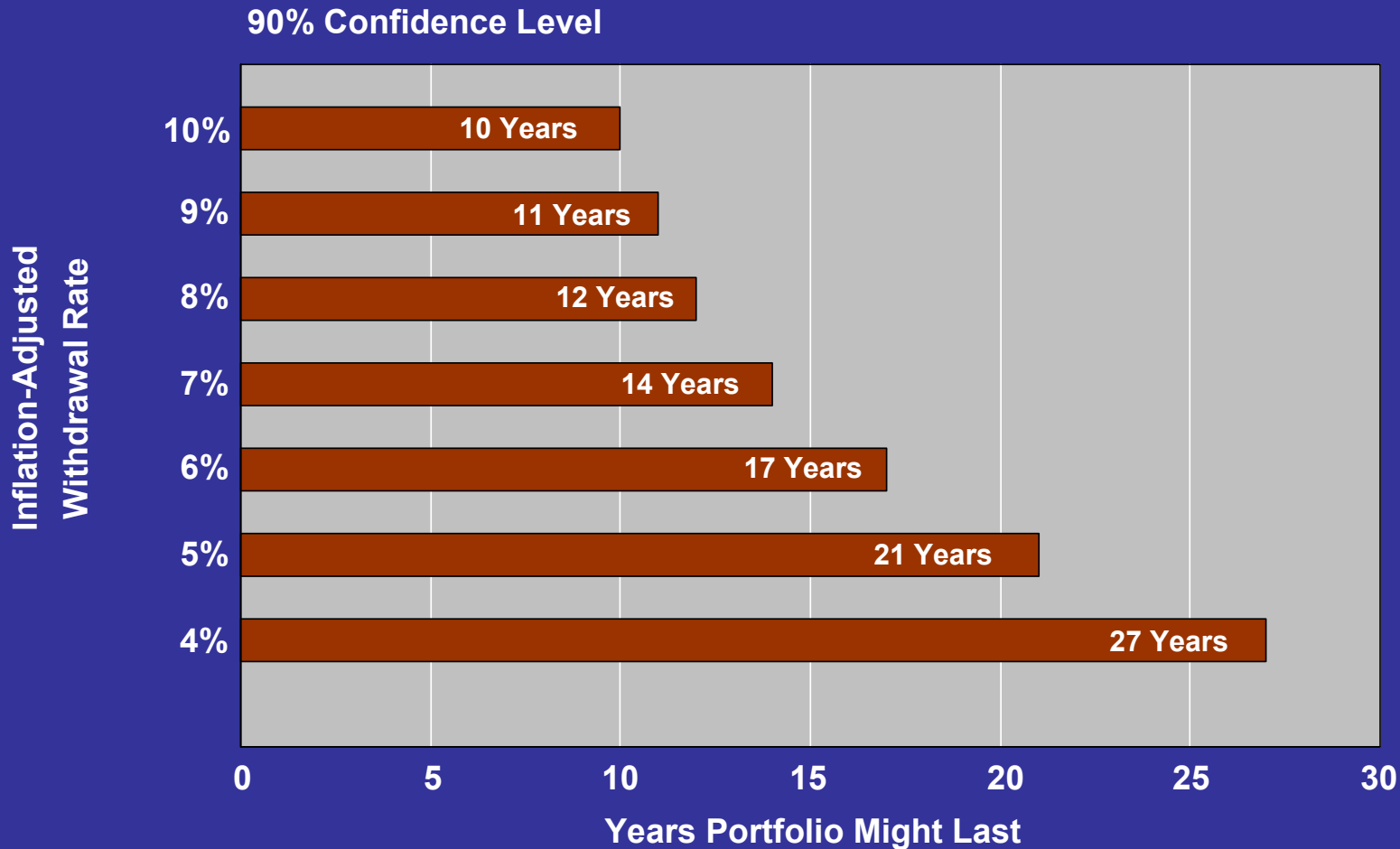
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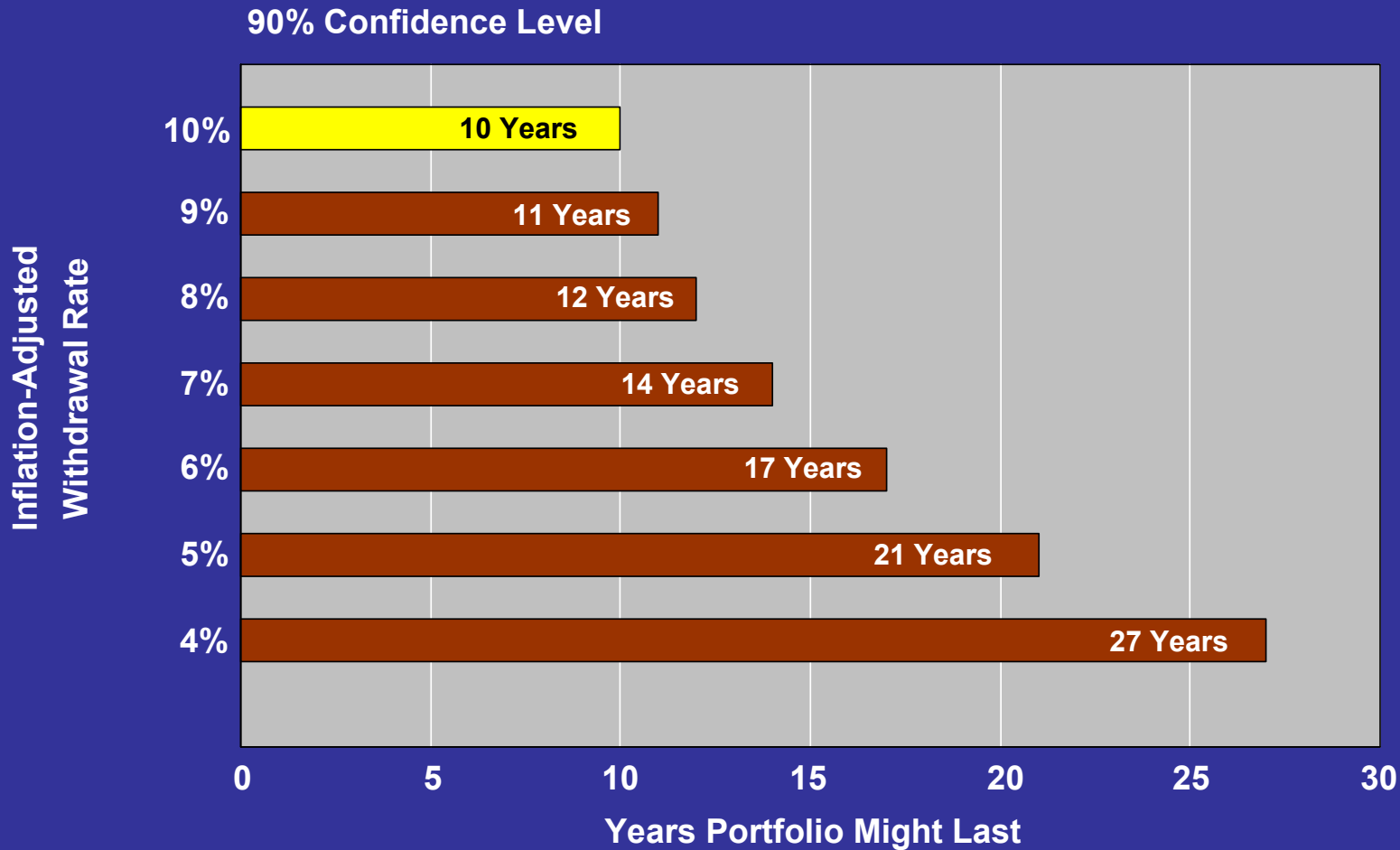
Planning for Retirement – Withdrawal Rate



Source: Fidelity Investments. For illustrative purposes only and not indicative of any particular investment.

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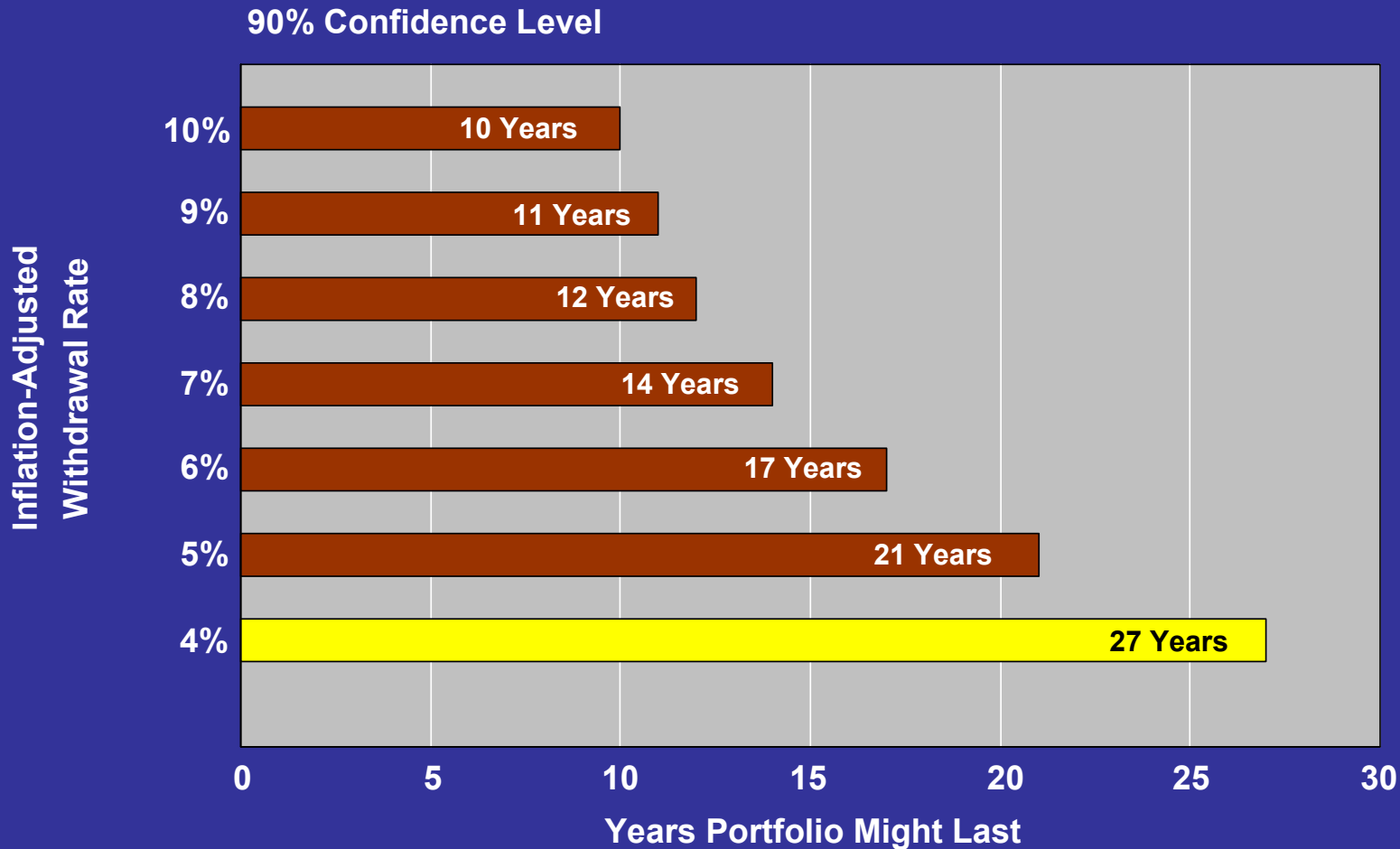
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Planning for Retirement – Paying off Debt

Advantages:

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Planning for Retirement – Paying off Debt

Advantages:

- **Provides Emotional Security**

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Planning for Retirement – Paying off Debt

Advantages:

- Provides Emotional Security
- **Increase Available Cash**

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Planning for Retirement – Paying off Debt

Advantages:

- Provides Emotional Security
- Increase Available Cash
- **Reduce Interest Expense**

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Planning for Retirement – Paying off Debt

Advantages:

- Provides Emotional Security
- Increase Available Cash
- Reduce Interest Expense
- Invest for the Future

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Planning for Retirement – Paying off Debt

Disadvantages:

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Planning for Retirement – Paying off Debt

Disadvantages:

- **Lost Investment Opportunity**

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Planning for Retirement – Paying off Debt

Disadvantages:

- Lost Investment Opportunity
- **Forfeited Tax Benefits**

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Planning for Retirement – Paying off Debt

Disadvantages:

- Lost Investment Opportunity
- Forfeited Tax Benefits
- **Low Interest Rate**

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Planning for Retirement – Paying off Debt

Disadvantages:

- **Lost Investment Opportunity**
- **Forfeited Tax Benefits**
- **Low Interest Rate**
- **Liquidity**

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Planning for Retirement – Paying off Debt

Disadvantages:

- **Lost Investment Opportunity**
- **Forfeited Tax Benefits**
- **Low Interest Rate**
- **Liquidity**
- **Other Considerations**

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**“Good fortune is what happens when
opportunity meets with planning.”**

Thomas Edison

