



# The Baby Boomer's Guide to Retirement Planning

Not FDIC, NCUA/NCUSIF insured \* Not a deposit \* No bank or credit union guarantee \*  
Not insured by any federal government agency \* May lose value

LBL7120 (ADS74)

© 2006 Allstate Insurance Company, Northbrook, IL

---

LINCOLN BENEFIT LIFE  
AN ALLSTATE COMPANY

---

# Welcome



In 2003 Allstate released its third annual “*Retirement Reality Check*” survey. The survey was designed to uncover attitudes and behaviors regarding retirement and to assist Allstate in **educating** middle-income Americans about planning a financially secure retirement. *We are pleased to have you here.*

# Redefining Retirement

With so many demands on your time and resources, it's important to take a break periodically and make sure you're **on track**, financially, to make your retirement a reality.



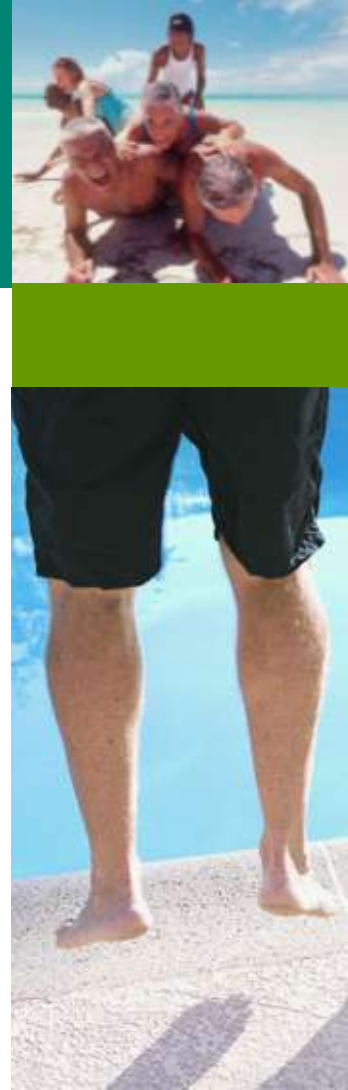
# Today you will learn:



- How to set **achievable** goals
- About the **factors** that will affect when you can retire
- How to **maintain** your retirement income –  
throughout retirement
- About savings and investment options that can help  
you reach your income **goals**

# Time for a Retirement Reality Check

- Social Security
- Living longer
- Income and assets

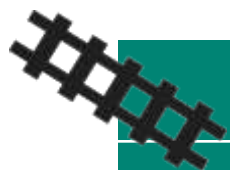


# Retirement Goals



- Specific
- Measurable
- Achievable

# Are You on Track?



## On Track

You have established specific, measurable, and achievable retirement goals.

## Derailed

You haven't established specific, measurable, and achievable goals.

# When Do You Plan to Retire?



**Question:** *At what age do you plan to retire?*

**Survey Says:** 61.9 years


# Retirement planning factors



- Social Security
- Pensions
- Retirement accounts
- Employer provided health insurance
- Medicare

# Are you on track?



 <b>On Track</b>	<b>Derailed</b>
You know when you will retire and have considered the factors discussed here in making that decision.	You don't know when you will retire and/or haven't considered the factors discussed here.

# How Much Income Will You Need?



**Question:** What annual income do you think you will need to cover daily living expenses in retirement?

**Survey Says:** \$51,504

# How Much Income Will You Need?



Expenses	Before Retirement	After Retirement
Housing	\$900	\$900
Transportation	\$550	\$650
Essentials	\$925	\$1,050
Taxes	\$1,400	\$800

This hypothetical example is for illustrative purposes only.

# How Much Income Will You Need?




Expenses	Before Retirement	After Retirement
Savings and Investments	\$1,000	0
Activities and entertainment	\$325	\$1,200
Total monthly	\$5,100	\$4,600
Total annual	\$61,200	\$55,200

This hypothetical example is for illustrative purposes only.

# Are you on track?



 <b>On Track</b>	<b>Derailed</b>
You have determined your retirement income needs and they are realistic.	You haven't determined your retirement income needs and/or those income needs are not realistic.

# Inflation and Your Retirement

**Question:** I'm confident I know how much money I'll need in order to maintain the lifestyle I want in retirement.

**Survey Says:** 77% answered yes



# Future prices



	Today	10 years	30 years
Dozen Eggs	\$1.57	\$2.79	\$9.99
New Car	\$26,150	\$37,673	\$84,797

Ten and thirty year projections are based on the average annual increase since 1994 for each item.

One dozen, Grade A, large eggs, Bureau of Labor Statistics, January 2004.

Average new vehicle retail selling price, 2003 NADA Data Report, National Auto Dealers Association.

# Are You on Track?



## On Track

You've factored inflation into your retirement expenses and income goals.

## Derailed

You haven't factored inflation into your retirement expenses and income goals.

# Know Your Income Sources



Income Needed	\$55,000
Income Sources	
Social Security	\$11,000
Pension	\$8,000
Employment	\$6,000
Total	\$25,000
Income Gap	\$30,000

This hypothetical example is for illustrative purposes only.

# Are You on Track?



## On Track

I know the sources of retirement income available to me, and the income I can expect to come from each source. I know how much of my retirement income will need to come from my personal savings and investments.

## Derailed

I don't know the sources of retirement income available to me, or the income I can expect to come from each source. I don't know how much of my retirement income will need to come from my personal savings and investments.

# Retirement Savings

**Question:** I am currently saving for retirement.

**Survey Says:** 87% answered yes



# Are you Saving Enough?



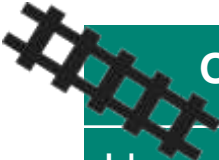
	A \$20,000 annual retirement income goal...	A \$55,000 annual retirement income goal...
...requires a nest egg at retirement of:	\$402,500	\$1,106,000
...and a monthly saving-rate of:	\$2,186	\$6,005

The calculations here assume saving for ten years followed by 20 years of retirement at an 8 percent annual return—both before and after retirement—compounded monthly, as well as 4 percent annual inflation rate.

The hypothetical investment results are for illustrative purposes only and should not be deemed a representation of past or future results. This does not represent any specific product.

# Are you on Track?



 <b>On Track</b>	<b>Derailed</b>
I know how much I need to save each month to reach my retirement income goal.	I don't know how much I need to save each month to reach my retirement income goal.

# What If You Need to Catch Up?

**Question:** I have to save more money for retirement to catch up to where I should be.

**Survey Says:** 48% answered yes

**Question:** The state of the economy has prevented me from saving as much as I'd like.

**Survey Says:** 59% answered yes



# Investment Options



- Max out employer retirement plans
- Consider IRAs
- Take advantage of other tax advantaged retirement saving vehicles

# Developing Your Retirement Strategy



- ✓ I have put my goals in **writing**.
- ✓ My goals are specific, measurable and **achievable**.
- ✓ I am confident that the amount I am **saving each month** is enough to meet my savings goal.
- ✓ I am confident I have used a realistic inflation estimate and have factored inflation into my **projected retirement income needs**—throughout my retirement years.

# Developing Your Retirement Strategy



- ✓ I have used **sound investment principles** to choose my investments.
- ✓ I am confident I have chosen investments appropriate for my **time horizon** and return expectations.
- ✓ I am comfortable with the **level of risk** my investments carry.
- ✓ I regularly monitor the progress of my **strategy** and make changes if necessary.

# Developing Your Retirement Strategy



If developing and implementing a **retirement strategy** seems overwhelming, consider working with a financial professional.

Financial professionals have the skills and the resources to help you develop and implement strategies to **set and achieve** your financial goals.



**Thank you for your attention!**