



Generational Investment Planning

Generation X

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

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.

Time For A Retirement Reality Check

Right now retirement may seem like a distant event – and in terms of years, it probably is.

But **planning** for retirement is a different matter altogether, and the time to start thinking about it is now.



Survey Says!

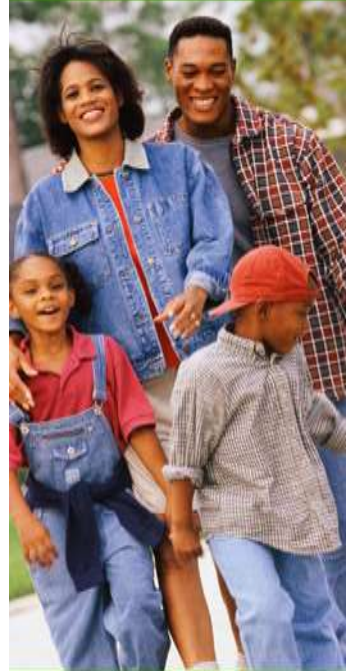


I am actively saving for retirement.	71%
I feel confident that I know how much money I'll need in retirement.	78 %
I expect to retire at age:	58.8
In order to meet daily living expenses in retirement I think I will need \$_____ per year.	\$41,316
I fear I will outlive my retirement savings.	54%

Getting On Track

On the path to retirement there are often twists and turns that send you in **unexpected directions**.

Sometimes it's a good idea to do a **reality check** and make sure the course you're on is indeed leading you where you intended.



Step 1 — Define Your Retirement Goals



- **Specific** — Goals need to be clearly defined
- **Measurable** — Goals need to include items like the time frame, resources required, and expected return
- **Achievable** — Goals need to be realistic

“When?” and “How Much?”



In defining your retirement goals, the two principal questions you'll need to ask yourself are:

1. **When** do I hope to retire?
2. **How much** income will I need or want in retirement?

“When?” and “How Much?”



It's important to set clear targets, work towards those targets, and then later make adjustments as your circumstances change.

Inflation And Your Goals



	A \$40,000 annual retirement income goal becomes ...	A \$70,000 annual retirement income goal becomes ...
In 30 years	\$129,736	\$227,038
In 50 years	\$284,267	\$497,468

This is assuming an inflation rate of 4% and payments made and received before taxes. This illustration is for hypothetical purposes only and is not a guarantee of future results.

Step 2 — Determine How Much You Need To Save



The act of **saving** — in and of itself — isn't enough to ensure you're on track for meeting your retirement goals.

Rather, you should make sure you're saving an **appropriate amount** relative to those goals.

Are You Sure You're Saving Enough?



	A \$40,000 annual retirement income goal...	A \$70,000 annual retirement income goal...
... requires a nest egg at retirement of	\$1,755,000	\$3,065,000
... and a monthly saving-rate of	\$1,170	\$2,045

The calculations here assume an 8 percent annual return — both before and after retirement — compounded monthly, as well as 4 percent annual inflation. These hypothetical investment results are for illustrative purposes only and should not be deemed a representation of past or future results. Actual investment results may be more or less than those shown. This does not represent any specific product. Calculations assume the retirement assets will be exhausted after 20 years.

Step 3 – Begin Today



While the savings required to fund your retirement may seem big, even overwhelming, **don't let that stop you** from taking the next step.

A Financial Professional Can Help You:



- Evaluate your situation and develop **reachable goals**
- Illustrate the **impact** of hypothetical, retirement planning adjustments you could make before and after retirement
- Calculate the **amount** you need to save each month
- Select investments that meet your **return objectives** while **reducing your risk**
- Monitor your plan and recommend **adjustments**, as needed

Staying On Track

Getting on track by implementing a plan is half the battle.
Staying on track by **following that plan** is the other half.



The Job Change Pitfall



Cash those savings out for current spending?

-or-

Keep those retirement savings for retirement?

The Job Change Pitfall



Retirement plan balance	If cashed out	If kept as retirement savings
\$10,000	\$0	\$109,357
\$25,000	\$0	\$273,393
\$50,000	\$0	\$546,786

The future value assumption does not take into consideration inflation and taxes. It is calculated based on a compounding rate of 8 percent over 30 years. This illustration is for hypothetical purpose only and is not a guarantee of future results.

The Tax Pitfall



Another way people get off track is by not taking advantage of **tax advantaged investment accounts**.

Types Of Tax Advantaged Investments



- Individual retirement account (IRA)
- Roth IRA
- Fixed annuity
- Variable annuity
- 401(k)
- 403(b)

Avoiding Retirement Planning Pitfalls



A financial professional can help you stay on track to your retirement goals by **avoiding the pitfalls** discussed here.

Developing A Winning Strategy

- ✓ ■ I have put my strategy in **writing**
- ✓ ■ I am confident I have **realistically estimated** how much I need to save on a regular basis
- ✓ ■ I am confident I have used a realistic **inflation estimate** in my calculations
- ✓ ■ I have used **sound investment principles** to choose my investments
- ✓ ■ I am confident I have chosen investments appropriate for my **time horizon**



Developing A Winning Strategy



- ✓ ■ I am confident I have chosen investments with the potential to meet my **rate of return** expectations
- ✓ ■ I am comfortable with the **level of risk** my investments carry
- ✓ ■ I can monitor the **progress** of my strategy and make **changes** if necessary
- ✓ ■ I have the means to meet the **monthly savings requirements** necessary to meet my goal

Developing A Winning Strategy



- ✓ ■ If developing and implementing a 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 **achieve your financial goals**



Thank You For Attending!