

# Questions to help you prepare for retirement



## How long will you live in retirement?

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With improvements in health and life expectancy, it may be common for people to remain active well into their 80s and 90s. The average American spends 20 years in retirement.<sup>1</sup> Your retirement could last as long as your career — or even longer. It's important to ensure your retirement income lasts for the length of your retirement.

## Will your savings last for the rest of your life?

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After diligently investing your retirement savings throughout your working career, you should draw down your savings — often over a 20- or 30-year period — so your account is not prematurely depleted. As life expectancy continues to increase, many retirees risk spending their savings too quickly.

## How much income will you need?

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Only 50% of workers are confident that they know how much income they will need each month in retirement, or how to properly withdraw income from their savings and investments.<sup>2</sup>

Experts suggest that you will need between 75%–90% of your pre-retirement income to maintain your standard of living in retirement.<sup>3</sup>

## How much will things cost in the future?

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At an average rate of inflation, prices will double in 24 years,<sup>4</sup> which could have a huge impact on your standard of living. Healthcare costs are increasing just as fast. A person incurs an average of \$122,000 in medical costs between age 70 and death.<sup>5</sup>

## Where will your income come from?

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Relying on Social Security as the sole or primary source of retirement income may not be enough to provide for even basic expenses such as groceries, housing and transportation. Social Security provides an average of only \$1,503 as a monthly benefit for retirees.<sup>6</sup>

Most likely, you will need to supplement your retirement income with savings from your employer-sponsored retirement plan.

8 in 10 workers expect their workplace retirement savings plan will be a source of income in retirement vs. half of retirees.<sup>2</sup>



## Have you thought about a lifetime income solution?

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Lifetime income solutions, such as fixed income annuities, let you convert all or a portion of your retirement savings into monthly income payments that:

- Are guaranteed for life, no matter how long you live<sup>7</sup>
- Provide a fixed dollar amount, no matter how the financial markets are performing<sup>8</sup>
- Make budgeting easier through a predictable stream of income

The steady stream of income provided by lifetime income solutions can help pay for everyday expenses in retirement, such as groceries and utilities, as well as unexpected costs that can arise, such as healthcare or family-related expenses.<sup>7</sup>

If any of these answers surprised you, you are not alone. Many people have not thought about income they will need in retirement and the various risks they may face.

Creating guaranteed lifelong income with us can help provide you with the information and strategies you need to retire confidently.

Contact your human resources (HR) department to learn more about the guaranteed income options available in your retirement plan.

1. Top 10 Ways to Prepare for Retirement, U.S. Department of Labor, September 2019.
2. Retirement Confidence Survey, Employee Benefit Research Institute, 2018.
3. An Analysis of Retirement Models to Improve Portability and Coverage, Center for Retirement Research at Boston College, 2018.
4. Based on "Rule of 72," Investopedia, June 2019.
5. Lifetime Medical Spending of Retirees, National Bureau of Economic Research, July 2018.
6. Fact Sheet – Social Security, Social Security Administration, January 2020.
7. All guarantees are based on the financial strength and claims-paying ability of the issuing MetLife company.

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