Participant Workbook

Your Name:

edwardjones.com
Member SIPC

Edward Jones
MAKING SENSE OF INVESTING

Time Matters: A Women's Retirement Outlook

PROGRAM SYNOPSIS

Time Matters: A Women's Retirement Outlook is a 50-minute educational program that shares perspectives on financial concerns facing women who are getting ready for or have recently transitioned to retirement. The presentation shares retirement income strategies, including perspectives around Social Security, withdrawal and reliance rates. It also addresses how to prepare for the unexpected, including market and inflation risks, and the rising costs of health care and long-term care.

CONTENTS

Retirement Ready Quiz 3

Retirement Vision 4

Plan for the Expected 5

Social Security by the Numbers 6

Full Retirement Age 7

Monthly Social Security Benefits 8

Withdrawal and Reliance Rates 9

Preparing for the Unexpected 10

Recap 11

Glossary 12

Retirement Ready Quiz

For each statement, identify how strongly you relate. "10" means you find the statement true and it applies to your situation. "1" means the statement doesn't apply to you.

1. **I understand my/our current financial situation.**
   10 9 8 7 6 5 4 3 2 1

2. **I'm responsible for my/our finances.**
   10 9 8 7 6 5 4 3 2 1

3. **I will manage my/our finances in the future.**
   10 9 8 7 6 5 4 3 2 1

4. **I'm looking forward to my/our retirement.**
   10 9 8 7 6 5 4 3 2 1

5. **I/We have a clear picture of what I/we want to do during retirement.**
   10 9 8 7 6 5 4 3 2 1

6. **I/We have a retirement income strategy.**
   10 9 8 7 6 5 4 3 2 1

7. **I/We have a handle on my/our debt (mortgage, loans, other consumer debt).**
   10 9 8 7 6 5 4 3 2 1

8. **I/We understand the role Social Security will play.**
   10 9 8 7 6 5 4 3 2 1

9. **Inflation will impact my/our retirement.**
   10 9 8 7 6 5 4 3 2 1

10. **The cost of health care will impact my/our retirement.**
   10 9 8 7 6 5 4 3 2 1

Retirement Vision

When do you plan to retire?

What are your spending goals?

What are your key concerns?

What are your retirement expectations for income sources?

Plan for the Expected

EXPENSES

Necessary:

Mortgage	$ ____________
Utilities	$ ____________
Food	$ ____________
Insurance (Health, Auto, Life)	$ ____________
Out-of-pocket Health Care	$ ____________
Debts	$ ____________
Taxes (Property, etc.)	$ ____________

Discretionary:

Travel and Entertainment	$ ____________
Other	$ ____________
TOTAL	**$** ____________

OUTSIDE SOURCES OF INCOME

Social Security	$ ____________
Pension	$ ____________
Part-time Employment	$ ____________
Rental Income	$ ____________
Annuities	$ ____________
TOTAL	**$** ____________
INCOME GAP	**$** ____________

Use the Retirement Estimator at www.ssa.gov/estimator to estimate your potential Social Security benefits.

Expenses
\- Outside Sources of Income

Income Gap

Your income gap – the difference between your expenses and outside sources of income – is the amount your savings and investments will need to cover.

Social Security by the Numbers

INSIGHTS:

- **Single women rely on Social Security for more of their retirement income than single men.** In 2013, 49% of all elderly unmarried females receiving Social Security benefits relied on Social Security for 90% or more of their income.[1]
- **Women typically live longer than men, so their retirement income may need to last longer.** Statistics show that one out of four 65-year-old women will live to age 95. In addition, the chance of that both members of a 65-year-old couple will die within one year of each other is very slim – only 3%. However, for nearly 75% of couples, one will outlive the other by at least five years, and for half, one spouse will outlive the other by 10 or more years.[2]
- Last, consider the situation for women who lose a spouse or experience a divorce. **Household income drops 41% for women after a divorce and 37% in widowhood, compared with less than 25% in both cases for men.**[3]

1 Source: Social Security Administration, www.ssa.gov/women; 2015 Fact Sheet.

2 Source: The 2008 Valuation Basic Table, Select and Ultimate Nonsmoker. Based on U.S. insurance company individually underwritten mortality experience.

3 Source: Government Accountability Office.

Full Retirement Age

Full Retirement Age (FRA) is the age at which you become eligible to receive 100% of your Social Security Benefits. If you were born in 1942 or earlier, you are already eligible for your full benefit.

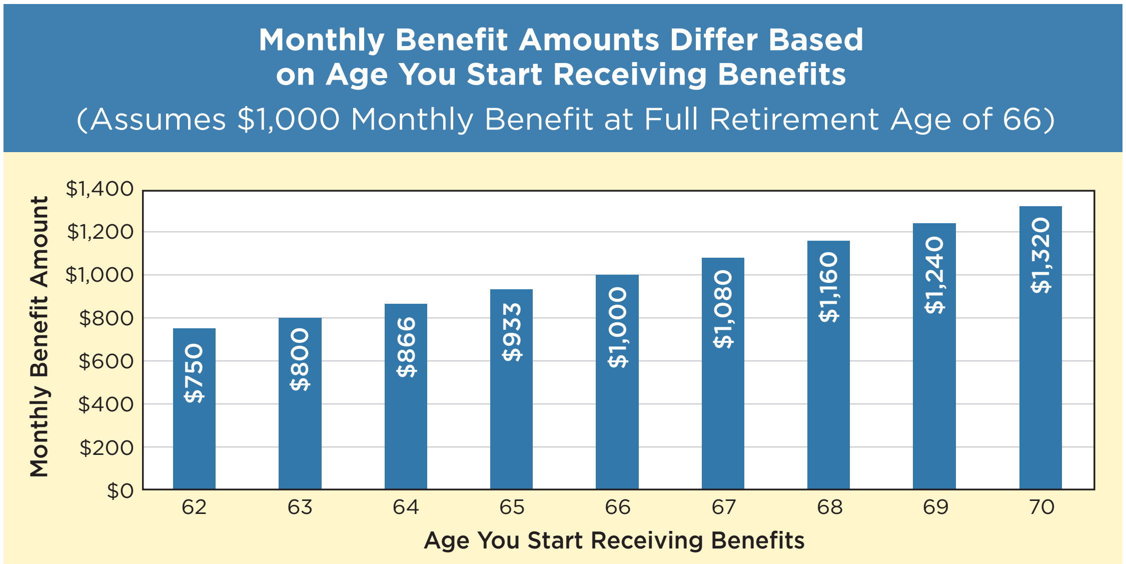
If you were born 1943–1960, the age at which full retirement benefits are payable increased gradually from 66 to 67. The chart below will guide you in determining FRA.

Year of Birth	Full Retirement Age
1937 and before	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

If you were born on Jan. 1 of any year, refer to the previous year.

Monthly Social Security Benefits

Your Social Security retirement benefit is based on your highest 35 years of earnings, adjusted for inflation, as well as the age you begin taking Social Security. Importantly, your benefits are reduced by up to 30% if you claim before your Full Retirement Age (FRA) but are increased by up to 32% if you delay claiming past your Full Retirement Age (up to age 70).



Source: Social Security Administration. Example does not include any potential cost-of-living adjustments (COLAs).

Withdrawal and Reliance Rates

Initial Withdrawal Guidance

		More Conservative	Less Conservative
Age in Retirement	Early 60s	3.0%	4.0%
	Late 60s	3.5%	4.5%
	Early 70s	4.0%	5.5%
	Late 70s	5.0%	7.0%
	80s+	6.0%	8.0%

Calculating Portfolio Withdrawal and Reliance Rates

A. Expected spending	**$50,000**
B. Outside sources of income	**$20,000**
C. Income gap: Income from investments (A - B)	**$30,000**
D. Total investment portfolio **Initial portfolio withdrawal rate (C ÷ D)**	**$750,000** **4%**
Portfolio reliance rate (C ÷ A)	**60%**

Preparing for the Unexpected

MARKET AND INFLATION RISK

Incorporate vs. Insure

HEALTH CARE AND LONG-TERM CARE COSTS

Incorporate vs. Insure

Recap

AS YOU STAGE YOUR RETIREMENT:

- Plan on living longer than you think
- Start smart with your spending through a solid retirement income withdrawal strategy
- Anticipate rising costs, including inflation and health care

REMEMBER THE THEMES OF TIME FROM OUR DISCUSSION TODAY, INCLUDING:

- *Longer life spans* and the implications for retirement
- Strategies for your "outside" sources of retirement income, including *the timing* of your Social Security benefit, viewing your decision through a LENS, and the impact on spousal benefits
- Strategies to help your savings and investment retirement income sources last *(for as long as you need it)*
- Incorporating versus insuring against market risk, inflation risk, and health care and long-term care costs – all of which have the potential to *lessen your portfolio's life span*

Glossary

APY (Annual Percentage Yield) – The rate of return on an investment for a one-year period.

Asset Allocation – The process of dividing a portfolio among major asset categories such as stocks, bonds or cash. The purpose of asset allocation is to help reduce risk by diversifying the portfolio.

Beneficiary – A person or an organization whom you designate to receive property or income, usually at your death. Life insurance policies, retirement plans, and certain bank and investment accounts ask you to name one or more beneficiaries.

Compounding – Interest earned on an investment is added to the principal so interest can be earned on that interest.

Diversification – A method to reduce investment risk by putting funds in several investment categories (i.e., Growth, Growth and Income, and Income). Diversification among stocks can be by industry or by geographic location.

Dividend – Payment from a company to its shareholders, historically based on its earnings. Dividends are usually paid quarterly in the form of cash and sometimes stock. Payments are in proportion to the number of shares an investor owns.

Earnings – Revenue minus cost of sales, operating expenses and taxes over a given period of time.

Growth-and-Income Investments – Investments that offer potential growth through rising earnings and provide income through dividends. The prices of these securities can be more volatile than those of income investments, but their dividend income typically provides greater price stability than with growth investments.

Growth Investments – Investments such as stocks or mutual funds with strong earnings and/or revenue growth potential. Because they pay few or no dividends, their prices can be more volatile than those of income or growth-and-income investments.

Income Investments – Designed to provide regular payments, such as from stock dividends, mutual fund distributions, bond interest and annuity payouts.

Liquidity – How easily one's assets can be converted into cash. For example, a security that can't be redeemed for 10 years is not considered liquid; however, money that can be withdrawn from an account at any time has a high degree of liquidity.

Glossary

Principal – The amount you invest, on which you have a gain or loss. Principal also refers to the balance of a debt, separate from interest.

Systematic Investing – A method of investing a fixed dollar amount on a regular basis.

Tax Deferral – Postponing income or capital gains tax that would otherwise be due on investment earnings or sales until sometime in the future, usually when you retire. Tax-deferred accounts include 401(k) plans, traditional IRAs, cash-value life insurance and annuities.

Trust – A legal entity you (as a grantor) create, giving title to the property in the trust to a trustee, who is required by law to administer the trust in the best interest of the beneficiaries you name

 MKD-8034C-A-PW EXP 31 MAR 2022