

## INFLATION:

# Retirement income streams face uphill battle

If you want to maintain your standard of living in retirement, maintaining a consistent income stream may not be enough. A steady income stream faces an uphill battle against inflation, weakening over time as prices rise.

How devastating can the cumulative effect of inflation be over the course of two to three decades in retirement?

At annual inflation rate of:	Annual income needed to equal \$100,000 today in		
	10 Years	20 Years	30 Years
3%	\$134,392	\$180,612	\$242,726
4%	\$148,024	\$219,112	\$324,340
5%	\$162,890	\$265,330	\$432,194

This hypothetical chart is for illustrative purposes only.

### \$438,000

Cost of three \$10 meals a day for two people over 20 years



### 1

Number of years over the last 50 without a rise in inflation<sup>1</sup>



### 46%

Increase in the cost of electricity from 1990 to 2010<sup>1</sup>



### 270%

Rise in health care expenses from \$1.4 trillion in 2000 to \$3.8 trillion in 2019<sup>2</sup>



### 2.1%

Average Social Security cost of living adjustment, 2000-2020<sup>3</sup>



## Help your income keep pace

If you are on a fixed income, you will face a lot of uncertainty and few options. Some options may be:

- Increase withdrawals and potentially either accelerate portfolio depletion or reduce your legacy.
- Maintain your income level and gradually decrease your standard of living.

**Take steps to avoid this dilemma by incorporating a potentially rising stream of guaranteed income into your strategy today. Talk to your financial professional to learn more.**

## What are Fixed and Fixed Index Annuities

Fixed index annuities (FIAs) are savings options intended for retirement or other long-term needs. They are intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected expenses.

FIAs offer interest crediting strategies that can provide downside market protection and the opportunity for growth in an up market. Interest crediting for index-based strategies are based on the performance of the underlying index. However, since an FIA is an insurance contract, you are never invested directly in any index, registered security or stock market or equity investment.

<sup>1</sup> [www.inflationdata.com](http://www.inflationdata.com)

<sup>2</sup> Centers for Medicare and Medicaid services, National Health Expenditures data, 2019

<sup>3</sup> Social Security Administration, [www.ssa.gov/oact/cola/colaseries.html](http://www.ssa.gov/oact/cola/colaseries.html)

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