

# Your Retirement Income – Will You Have Enough?

*A calendar page for the month of May is marked \$1,600. The pages flip to subsequent months, where the same amount is noted.* **Narrator:** “Could you live on \$1,600 a month? That’s about what the average retired worker receives from Social Security today. You’re probably going to need a lot more than that to live on when you retire.”

*A Pre-Retirement Income pie chart appears and is divided, showing that 70% to 80% of the amount will be needed for retirement income.* **Narrator:** “How much more? One rule of thumb is to figure you’ll need 70% to 80% of the income you expect to be earning at the time you retire. And you could need that income for a long time.”

*Figures of a man and a woman appear at the end of lines labeled 82 and 85.* **Narrator:** “On average, a 65-year-old man in the U.S. has a life expectancy of about 82 years, and a 65-year-old woman can expect to live to about age 85.”

*A family stands in front of their house. The children grow up and move off the screen wearing graduation caps and gowns. A heart symbol and a portion of the narration as text then appear next to the couple.* **Narrator:** “Don’t assume that all of your expenses during retirement will be lower. Your health care expenses, for example, could be quite significant. A married couple retiring this year may need over \$200,000 in savings just to cover future health care costs.”

*At an office retirement party, a man holds a Pension certificate, which then disappears. A section of a pie chart labeled Social Security 40% comes into view. The remaining portion of the pie chart then appears, which contains a question mark.* **Narrator:** “So, where will the rest of your money come from? Unlike in the past when many workers retired with a steady pension from their employer, today very few private companies provide pensions. And Social Security currently replaces only about 40% of the average worker’s income after retirement. You’re going to have to fund the rest of your retirement income on your own. Have you thought about how you’re going to do that?”

*A man stands on a ladder painting a house. The sun appears in the sky, followed by the moon and then the sun again, representing the passage of time. Then the ladder disappears and the man falls to the ground.* **Narrator:** “Some people plan to just keep working well past traditional retirement age. But you never know what the future holds. Your health or the health of a loved one might make continuing to work difficult. Or, you could lose your job and have trouble finding a new one.”

*Part of the narration appears alongside a man wearing a name tag that says Joe. A thought bubble with a dollar sign appears next to Joe.* **Narrator:** “Your best source of retirement income is you. Saving regularly can help you build up a substantial source of future income. To help set a savings goal, think about how much retirement income you might need your savings to provide.”

*The income and savings amounts the narrator mentions appear on the screen. Joe looks at them and holds his chin in thought.* **Narrator:** “For example, for an annual income of \$25,000, you might need to accumulate nearly \$352,000. For an annual income of \$40,000, you might need \$564,000. Remember, these are just examples and they assume a 25-year retirement and a 5% average annual total return. Your situation could be different. When setting your goal, also consider that inflation could increase your income needs during retirement.”

*The scene changes to a factory. A nozzle labeled Auto Deposit comes down from the ceiling and dispenses paint into cans on a conveyor belt. Each can reads Savings Plan. Two more nozzles, one labeled Individual Retirement Account and the other Investment Account, appear and also dispense paint into the cans.* **Narrator:** “Contributing as much as you can afford to your employer’s retirement savings plan will help you accumulate the savings you’ll need. It’s convenient, since your paycheck contributions are automatically deposited into your plan account. You can also set up an individual retirement account or an investment account and contribute to that as well.”

*The cans on the conveyor belt are deposited into the back of a truck that says Joe’s Retirement Savings. When the truck pulls out, a bulletin board with Retirement Savings Plan Information comes into view. A man wearing a hard hat is pointing to it. The truck drives away down the road.* **Narrator:** “The sooner you start saving, the better. But it’s never too late to get into the habit. If you have any questions, your employer’s plan has information available. You can also talk to a financial professional to find out more.”

*The final screen appears, which says, It’s your future. Start planning today. The retirement savings goal example is hypothetical, is for illustration purposes only, and does not reflect any specific investment vehicle. Actual returns will vary over time, and your investment performance will differ.*