

Savings to Income: Creating a Paycheck for Life

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Hueler Companies

Accumulation for Income



		5284
		9/13/22
		DATE
PAY TO THE ORDER OF	Retiree	\$ 577.00
Five hundred and seventy seven dollars		DOLLARS
FOR	Income Replacement	
⑆ 2222222 ⑆ 123 111 555⑈ 5284		

Retirement Income Reality

- 40% of Older Americans Rely Solely on Social Security for Retirement Income
- Only 7% of Retirees Have Ideal Situation of Income from Three Sources:
 - 1) Social Security
 - 2) Pensions
 - 3) Savings

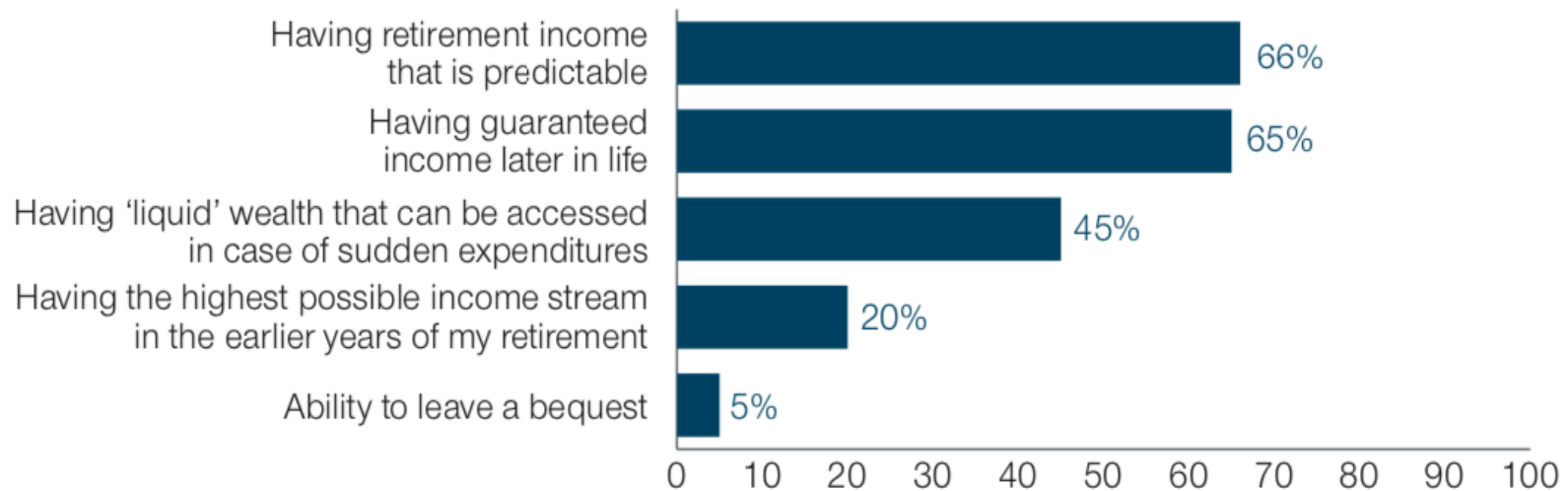
National Institute on Retirement Security (NIRS), *Examining the Nest Egg: The Sources of Retirement Income for Older Americans*. The report is co-authored by [Tyler Bond](#), NIRS manager of research, and [Dr. Frank Porell](#), University of Massachusetts Boston professor emeritus.

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Retirees Seek Predictable or Guaranteed Income

Financial Objectives in Retirement



Differences In Priorities

Women

- More likely to consider and purchase a Single vs. Joint annuity
- Spouse/partner designated as beneficiary vs. choosing to have a joint annuitant
- Prefer to incorporate a fixed period or cash refund if they have beneficiaries
- Primary goals in purchasing an annuity is to cover their basic expenses and to ensure they don't run out of money

Men

- More likely to choose a Joint annuity vs. Single to cover spouse/partner
- Often state that they are confident their spouse/partner will outlive them, so want to ensure that they will have income for life after the annuitant's passing
- Removing funds from market volatility is often a primary driver of an annuity purchase

Trusted Sources

- Financial Professionals
- Employers
- Family - Friends
- Familiar Resources/Organizations (WISER)
- On-Line Tools have Gained Popularity
- Hybrid Model Common

Risks for Retirees

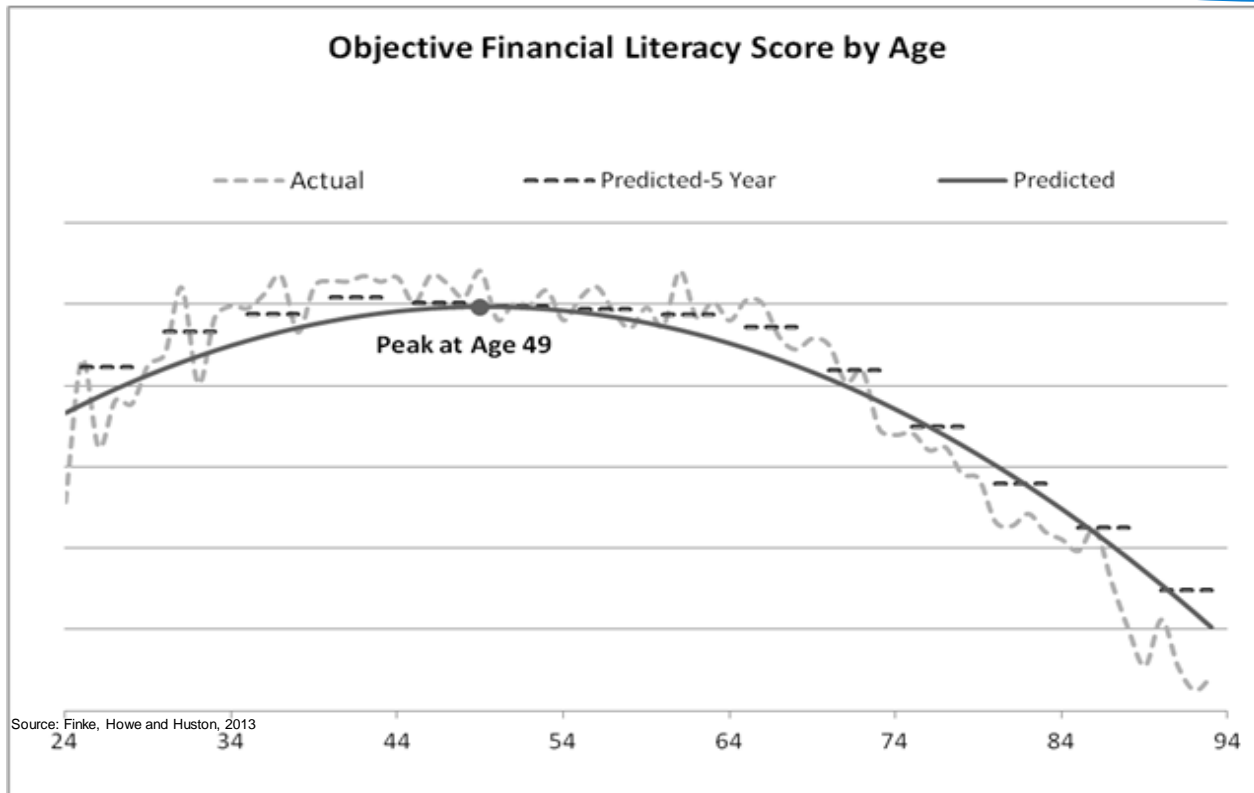
Key Risks During the Paydown Phase*:

- Longevity
- Market volatility
- Inflation

Additional Challenges/Risks:

- Declining pension coverage
- Complexity and cost of retail annuities
- Savings held mainly in 401k plans without guaranteed lifetime income options
- Aggressive marketing efforts by investment firms and retail annuity distributors

Age and Financial Decision Making



Market Based Delivery Model: Driving Better Financial Outcomes for Retirees

- Conflict free: no “pay to play”
- Established issuer selection criteria and on-going monitoring
- Institutional pricing
- Transparency
- Standardized quotes (fee leveled and feature leveled)
- Meaningful insurer competition
- Personalized lifetime income annuity features
- Objective guidance and participant support
- Institutional delivery model consistently drives better financial outcomes

4% Drawdown

Research suggests an 18% probability the 4% drawdown will fail¹

Female, 65, \$100,000

	Monthly Income	Annual Income
4% Drawdown	\$333	\$4,000
Single Life Only	\$589*	\$7,068*
Single Life Only 2% Annual Increase	\$471*	\$5,652*
Single Life with 10 Year Period Certain	\$594*	\$7,128*

*Annuity quotes provided from Income Solutions® as of 9/22/2022

Converting Savings to Income

Immediate Income Annuity Quotes

65 Year Old, Female, Single Life Only Income Solutions® 9/22/22

Savings Amount	Monthly Income
\$25,000	\$146
\$50,000	\$293
\$75,000	\$441
\$100,000	\$589
\$125,000	\$737
\$150,000	\$885
\$175,000	\$1,033
\$200,000	\$1,181

Simple Tools

