

# IS YOUR RETIREMENT AT RISK IN TODAY'S ECONOMY?

## 3 Areas To Focus On For A Secure Retirement



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# 3 Areas To Focus On For A Secure Retirement

1. Unforeseen Healthcare Costs
  - Protect your assets and retirement against high and unexpected healthcare costs associated with long-term illness.
2. Make Sure Your Money Is Working For You
  - Capture Wall Street gains free of risk and protected against losses.
3. Have A Retirement Plan That Funds The Duration Of Life
  - Guarantee your retirement plan won't run out of money when you need it most.

# Risk In Retirement

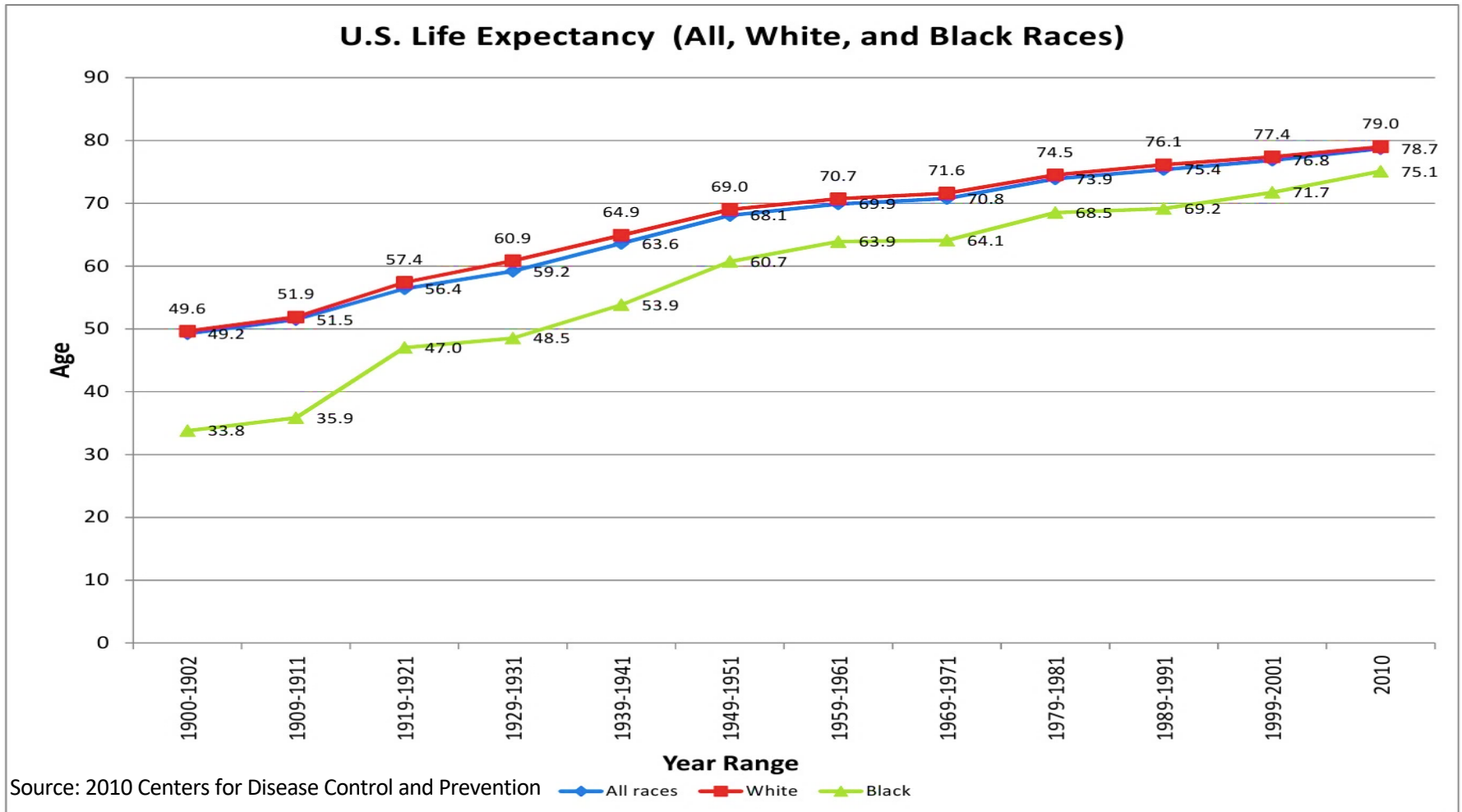
What is the most significant risk you face in retirement?

- Longevity Risk
- Inflation Risk
- Market Risk
- Taxation Risk
- Sequence Of Returns
- Long-Term Care Risk
- Withdrawal Rate Risk
- Mortality Risk

# 1. Healthcare Costs & Protection



# Longevity Risk



**Life expectancy increasing approximately  
1 month per year.**

# DECLINING HEALTH = INCREASED HEALTH CARE COSTS

As we age, our health naturally declines, resulting in new and growing health care expenses. According to HHS.gov, the highest health care costs happen in the final year of your life. They estimate that 40% of a person's lifetime costs of health care occur in the final year.



**What is a  
Major Issue Facing Retirees?**

**Declining Health**

# Catastrophic Cost Of Nursing Homes

- Average cost is **\$385 per day\***
- Average cost is **\$140,000 per year\***
- Most will lose **everything** and be at the poverty level.
- Average **individuals** will have depleted their resources within 13 weeks.
- Average **couples** will have depleted their resources within in 13 months.



# Medicare & LTC:

## Some Facts About Social Security



- Social Security pays retirement, disability, family, and [Survivors Benefits](#).
- **Medicare**, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for **inpatient hospital care**, nursing care, doctors' fees, drugs and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more.
- **Medicare does not pay for long-term care, so you may want to consider options for private insurance.**
- **Your** Social Security covered earnings qualify you for both programs.
- For more information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or call **1-800-633-4227** (TTY **1-877-486-2048** if you are deaf or hard of hearing).

# Long-Term Care Insurance Basics

➤ **Benefit Amount**

➤ **Home Care**

➤ **Benefit Period**

➤ **Waiting Period**

➤ **Age**

➤ **Inflation Fighter**

- Comprehensive policies issued today are **Guaranteed Renewable**.
- The ideal policy covers **Pre-existing Conditions** from the first day the policy is in force.
- By understanding the critical features of a typical long-term care policy, you can design the right plan for your unique financial situation.
- There are **Additional Considerations** you might want to be aware of as you develop your ideal plan.

# HYBRID LONG-TERM CARE:

## Combine LTC & Life Insurance Contracts



The money you have,  
just in case money,  
usually CD's, savings  
accounts, etc. **100%**  
**REFUND at any time.**

Contracts issued by the  
insurance company.

More cash available  
for your care or to  
your family.

\*Must qualify physically.

\*Benefits will vary with age.

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# What Will Happen If *You Or Your Spouse* Need Long-Term Health Care?

## How Will You Prepare In Advance Of The Need?

- Ignore the problem and hope it never happens to you?
- Spend down assets to qualify for government assistance?
- Purchase Long-Term Care Insurance?
- Purchase Hybrid LTC & Life Insurance (Money Back)?
- Purchase qualified annuities for protection?

## 2. Capture Market Gains Without The Risk Of Loss



# LEARNING FROM 2001, 2008 AND 2020

## Questions To Consider:

- Have you fully recovered from the market volatility?
- What if you needed to access your money right now and couldn't wait to recover from losses?
- Are you comfortable 'hoping' that you are in the right place at the right time?



# From Now On...

## “Rule Of 100”

**100 – 60 (age) = 40%**

**100 – 75 (age) = 25%**

What percentage of your  
nest egg are you  
prepared to lose?



# How Do You Grow Your Money?

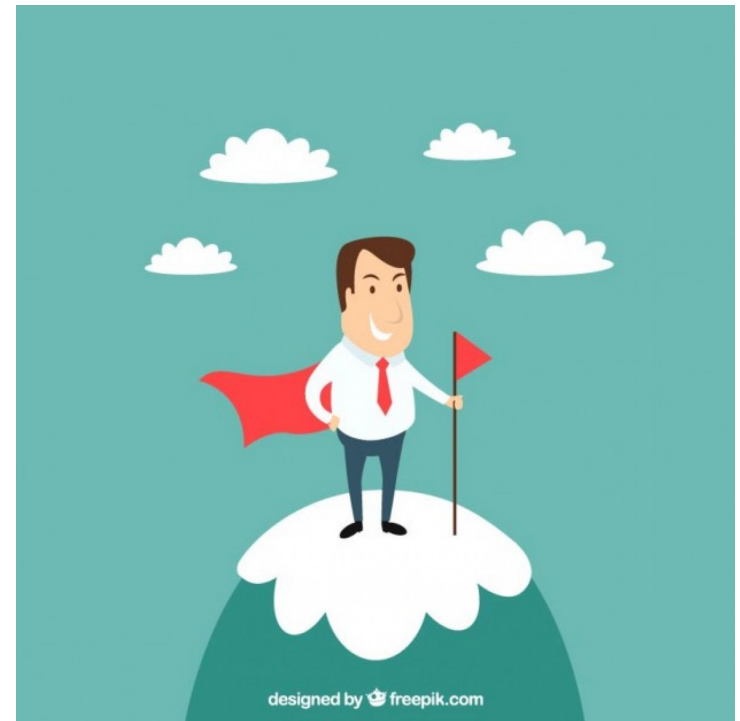
Should your  
age affect  
your risk  
tolerance?



# There Is A Way To Only Experience Gains And Not Losses

Consider different strategies that  
*Offer You some Gains and None of  
The Losses:*

- If The Market Goes Up,  
You Lock In The Gain
- If The Market Goes Down,  
*You Keep The Gain And  
Suffer No Losses*



# No Downside Risk Strategy

## The "REAL BENEFITS" of Index Annuities with the Annual Reset Design

A history of American Equity's Index-5\* (9/30/98 - 9/30/16)



\*This graph is based on actual credited rates for the period shown on the Index-5 product which is no longer available for sale. The actual Participation Rates for this time period, applied to the annual monthly average calculation as depicted, vary between 50% and 70%, and a Minimum Guaranteed Contract Value of 3% is assumed. The S&P 500 is an annual point to point calculation depicting the actual change in the index year over year.

Past performance is not an indication of future results. Please call your American Equity Agent for new product information. Review product disclosure for specific information.

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The one who works for you!™



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# Suze Orman Says:



[www.suzeorman.com](http://www.suzeorman.com)

**“Bottom line:** If you are willing to give up some upside potential, **you can also protect yourself totally against any downside risk.”**

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# No Downside Risk Strategies Are Right For:

- Savers who want higher interest than CD's without risking principal.
- Investors who want out of the stock market, but who want competitive returns without risking their principal. (IRA-401K-TSA \$\$\$ accepted).
- Savers who want to accumulate money tax-deferred and be able to draw a lifetime income they can't outlive.
- Anyone looking to reposition assets away from risk, high fees, and taxes to safety and security for retirement.

# 3. A Retirement Plan That Funds The Duration Of Life



# Do You Have A Plan To Convert Assets To Income?



- What is a lifetime income guarantee?
- A means to guarantee a withdrawal benefit even if the account spends down to zero.

# LIFETIME INCOME GUARANTEED

If you are seeking guaranteed, predictable income that you cannot outlive with the flexibility to start and stop your payments, then ***Income For Life*** may be right for you.

Growth rates of 5% to 8% annually until you decide it is time to receive the new stream of income.



It's not just  
what you  
**EARN,**  
it's what you  
**KEEP**  
that counts!





**Neal Mandelbaum**  
President

- Asset Preservation & Retirement Income Planning Specialist
- 30+ years veteran of the financial services industry
- Regional Advisor with a Fortune 500 company
- Passion in helping people plan for retirement led to starting Fairway Financial LLC
- Business name captures his love of golf but also an unwavering commitment to conducting business in the fairest way possible to benefit clients

***We do not charge clients a fee for our work.***

Our partner companies pay us when we help clients achieve their retirement planning goals.

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**THANK YOU**  
**FOR YOUR TIME**