

RETIREMENT RED ZONESM Q&A

Investing for the Time of Your LifeSM

What facts are included in the story of America's 76 million Baby Boomers?

- Living Longer
- Depending Less on Social Security
- Changes to Traditional Pension Plans
- Unexpected Early Retirement
- Untraditional Sources of Income
- Lifestyle Choices

What is the Retirement Red Zone?

The most critical time for retirement planning – 5 years before and 5 years after retirement is what Prudential refers to as the, Retirement Red ZoneSM.

What goals do recent retirees have for their retirement?

In March of 2004, Prudential Financial conducted a survey of recent retirees. The survey found that for 'most important goals' in retirement:

- 45% wanted to maintain their standard of living
- 40% wanted to avoid being a financial burden

In terms of retirement spending expectations:

- 40% would like to keep most of their savings intact.

Why is the Retirement Red Zone so important?

The decisions made during this time will in large part determine whether retirees will be able to afford their retirement and still be able to take care of those who will rely on them. For these people, a life insurance policy may make a lot of sense.

Why is Life Insurance relevant in the Retirement Red Zone?

60% of individuals approaching retirement will be responsible for someone else

- Later marriages
- His, mine, ours, someone else's altogether
- Elderly parents

72% of men and 42% of women consider "making sure my spouse is financially OK if I die before her/him" a "very important" financial goal

Why should my clients purchase Life Insurance in the Retirement Red Zone?

Life insurance coverage can be surprisingly affordable if purchased before or during the early stages of the Retirement Red Zone. However, toward the end of the Red Zone period and beyond, an increasing number of Americans no longer qualify for the best available rates for life insurance. Some of those buyers may be uninsurable, and thus unable to purchase life insurance at any price. It makes sense to consider ongoing life insurance needs as early in the Red Zone as possible.

What should I know about behavior among women regarding Retirement Red Zone?

There are lessons to be learned from today's women such as the triple whammy...

- 1 child = 2.25 years out of the workforce
- More inclined to seek part-time employment, usually in lower-paying, service-related positions
- Only 15% of part-time females are covered by pension plans

There are many resources available that will help you make client presentations. Request your copy today!

(Courtesy Prudential)

Please call us at 800-847-6426 to discuss this concept.