

Identifying Retirement Income Gaps



1 How much to maintain your lifestyle?

Typically you will need 75% - 85% of your current gross monthly income to maintain your current lifestyle. You may need more or less, depending on your expenses, health care costs and retirement goals.

| | | |
|---|---|----|
| Gross Annual Income | | |
| Months | ÷ | 12 |
| Percent of gross monthly income needed | x | |
| Estimated monthly retirement income needed | = | |

2 How much guaranteed monthly income?

| | | |
|---|---|--|
| Social Security | | |
| Pension | + | |
| Other income | + | |
| Estimated monthly income from guaranteed sources | = | |

3 How much income from your retirement portfolio each year?

| | | |
|--|---|--|
| Estimated monthly retirement income needed | | |
| Estimated monthly income from guaranteed sources | - | |
| Estimated monthly income needed from retirement portfolio | = | |

Did you know?

The average couple retiring at age 65 can expect to spend almost \$1,000 in medical costs¹, \$500 on food², and \$1,300 on housing² per month.

4 Will your retirement portfolio last your lifetime?

It may be best to plan for retirement to last 30 years.

| | | |
|--|---|--|
| Estimated monthly income needed from your retirement portfolio | | |
| Number of months | x | |
| Total funds needed from your retirement portfolio | = | |

Allocating a portion of your portfolio to a fixed index annuity is one option that could help you fill monthly income gaps. For example, a 63-year-old male client is considering purchasing an annuity using **IncomeShield 10** with a lifetime income benefit rider and starting joint income at age 70. No matter how much he decides to purchase, he can feel confident knowing he has monthly income options that will last a lifetime.

| Annuity Contract Amount | Amount of monthly Lifetime Income |
|-------------------------|-----------------------------------|
| \$100K | \$618 |
| \$250K | \$1,545 |
| \$500K | \$3,091 |
| \$750K | \$4,637 |
| \$1 Million | \$6,183 |

Sourcing: ¹ Money, "Here's how much the average couple will spend on health care costs in retirement." April, 2018

² Bureau of Labor and Statistics. Based on responses from 2017 nationwide survey "Consumer Expenditures Survey." 2018



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