



BOB CARLSON'S

Retirement Watch
SPOTLIGHT SERIES

The Complete Retirement Income Toolbox: Choose the Right Tools for Maximum Security & Income

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The Retirement Puzzle

- **Convert savings into cash flow, income**
- **Manage the risks**
- **Avoid regrets, FOMO**
- **Establish legacy**



The Retirement Income Risks

- **Longevity**
- **Inflation**
- **Interest rates**
- **Market, economic fluctuations**
- **Unexpected expenses**
- **Cognitive decline**



Total Return Portfolio

- **Probably most used with systematic withdrawals**
- **Potential wealth builder, inflation hedge**
- **Sequence-of-returns risk**
- **No longevity guarantee**
- **Highly liquid**
- **Potentially complex**



Fixed Income Investments

- **CDs, bonds, preferred stock, etc.**
- **Hold to maturity, reinvest**
- **Stable principal, guaranteed income**
- **Inflation risk if not TIPS**
- **Liquid, but potential losses**
- **Reinvestment risk**
- **Part of total return portfolio?**



Equity Income Investments

- **Dividend stocks & funds, closed-end funds**
- **Income can increase or decline**
- **Volatility, potential capital losses**
- **Both market and company risk**
- **Liquid**
- **Possible inflation protection**
- **Potentially complex**



Income Annuities, Pensions

- **Eliminate longevity risk**
- **Eliminate sequence-of-returns risk**
- **Possible inflation hedge**
- **Easy to manage: dementia insurance**
- **No growth, limited legacy**
- **Limited liquidity**
- **Potentially complex alternatives**



Social Security

- Large balance sheet item, flexible
- Inflation, longevity protection
- No sequence-of-returns risk
- Survivor benefits
- No liquidity
- Complicated, most don't maximize



Home Equity

With reverse mortgage:

- **Can be made liquid**
- **No market risk**
- **Can age in place**
- **Buffers other risks**
- **Other ways to redeploy equity**



Long-Term Care Planning

- **Minimizes spending shock effects**
- **Avoid liquidating assets**
- **Counters cognitive decline**
- **Has inflation protection**
- **Preserves legacy**



More Tools to Use

- **Medicare planning**
- **Part-time work**
- **Social capital: family, community**
- **Permanent or cash value life insurance**



Know Your Income Style

- **How do you like to receive income?:**
 - **Probability-based or safety-first**
- **How much flexibility do you prefer?**
 - **Maximum flexible or lock-in plan**
- **Most people are a blend**



Know Your Spending Model

- **Protected income**
- **Time segmentation**
- **Risk wrap**
- **Total return**
- **Most people should combine models**