

Episode #160: 3 Ways to Add More Value to Your Retirement Income Conversations

Video Transcription

Hello, and welcome to another edition of "Money Script Monday." My name's Sean Brady, and today's topic is three ways to add more value to your retirement income conversations. Now, simply having a good relationship with your client isn't enough to create retirement confidence. Studies show that that sense of security, that sense of confidence comes when you complete a formal retirement income strategy. Now, LIMRA found that financial professionals have completed formal retirement income strategies for only 35% of retiree clients. Retiree clients that have a formal retirement income strategy feel more confident because they have realistic expectations of future income and expenses. In addition to that, those retirees may trust their financial professionals to manage more of their assets. Let's take a look at three components of a formal retirement income strategy and how you may be able to incorporate them into your conversations.

Step number one, enhancing social security benefits. Now, many Americans depend on social security as the foundation of retirement income. But if they don't understand how it works, then it can be an obstacle rather than an opportunity. And that's where you come in. That's where you can help them maximize the benefits that they have by identifying the appropriate strategy. Talk about social security to start your conversation with your clients, how social security benefits work, and their important role. Teach them that when they work and pay those social security taxes that they're earning credits to receive retirement income. , let them know about ssa.gov, and how they can receive a ton of answers to many questions about social security, and they can even find out about the estimated benefit they may receive at full retirement age and various ages. Talk about how to help enhance the value of their benefits. We here at LifePro have the tools and the software that can provide projections of their income at various ages, as well as identify the best strategy to maximize their benefits over their life expectancy. So, that's social security.

Step number two, talk about adding an annuity. We don't know how long we're going to live, and we don't know what the markets are going to do in the future and having a financially secure lifestyle isn't certain for everyone. It's not guaranteed for everyone. And that's why it's really important to help alleviate that uncertainty and that scarcity with another source of guaranteed income, such as an annuity. Once you have that conversation about social security, talk about an annuity and how they can help supplement social security by covering a portion of retirement expenses

and how annuities can help reduce the pressure on the rest of the retirement portfolio.

That's social security, you talk about an annuity, and then you finish up with step number three, complementing with life insurance. Now, if your client needs life insurance, then an IUL might be an appropriate product, an index universal life policy. Now, IULs aren't a guaranteed source of income. In addition to the death benefit, it has the potential to grow in accumulation value in which you can borrow from through either a policy loan or withdrawal. And you could use that to close the income gap and pay for discretionary expenses, such as healthcare emergencies, college funding, a child's wedding, the list goes on and on and on. So, once you identify your client's life insurance needs, you can also determine if they have additional discretionary or legacy income needs that can be fulfilled by an IUL policy. And IUL policies have so many benefits and benefits are like income tax-free death benefit, tax-deferred cash value accumulation potential, and income tax-free policy loans and withdrawals.

Now, we here at LifePro offer you and your clients a retirement income shortfall analysis, which is an assessment of your client's overall retirement plan. If possible, we're going to take all their fixed expenses and have them covered by these protected income sources. That way, they're going to have the peace of mind that all of their fixed expenses are taken care of for the rest of their life. It also gives them the flexibility to put some of their other assets in the market so those accounts can grow and maximize to much higher percentages than they would have in the past. If you have any retirees that are on the verge and need a retirement income strategy, please contact your Field Support Representative because they can help you. Thank you and we'll see you again next time on "Money Script Monday."