

Episode #311 – Create Guaranteed Lifetime Income Today

Hello, everybody. Welcome to another episode of Money Script Monday. My name is Michael Clementi. First of all, I want to thank you for attending today's episode. Now, whether you found this video online or a financial advisor sent this to you, I'm sure the title "Create Guaranteed Lifetime Income Today" probably sparks some sort of interest.

Now, whether you're approaching retirement or already in retirement, having an income plan does create what we call a stress-free lifestyle. Now, what does that truly mean? I want you to think about being stress-free as the last time you and your spouse took a vacation. Not with the kids, not with the extended family, but just you two. What does that vacation actually look like?

Well, you're probably either driving in your car or jumping on a plane to your destination. Then you check into your hotel, and you have this nice, beautiful air-conditioned room, a big bed, a nice bathroom, and a great view of the premise and the pool. That leads to the next thing, we're going to grab some lunch, grab some food, and we're going to sit by the pool for a few hours. After that, we have a little time to relax, but then we have dinner reservations at a five-star restaurant that we've been looking forward to.

Day two comes around, and it looks pretty similar to day one, but now we're going to do an excursion. On top of that, we're going to see a few museums, we're going to go see a show, and then wrap up with some more delicious food and drinks. After the two days of vacation, you look at your spouse and you think, how did I get so lucky to create a lifestyle with the person I love and get to enjoy the fruits of our labor?

Now, as you check out, you go to the concierge, and he starts itemizing the bill for you. You may get a little stressed because this is a nice

hotel, we had great food and drinks, and the entertainment wasn't cheap this time. But in this scenario, you look through the itemized receipt, and at the bottom, the total is \$0. The concierge looks at you and says, "thank you for your stay. In this case, we got a call from your retirement plan that you've established, and they paid for everything, all the food, all the drinks, and the whole stay was on your retirement plan. And we just got a memo a few minutes ago saying that you have enough money in this account to pay for another vacation the next month, and the next month, and the next month. If you ever want to not take a vacation, let us know. You'll get that money sent to you, no questions asked, and you can keep it, invest it, spend on whatever it's your retirement. Have a great day."

Wouldn't that be truly stress-free? What a great vacation. And what a great plan and great life. The same mindset should be applied to your current retirement lifestyle. Now it's not a vacation you're paying for, but it is the lifestyle that has to last all the way into life expectancy with guarantees in place. The lifestyle I talked about comes with expenses broken down by your essential and discretionary.

Now the essential is your day-to-day living. That's your food, that's your clothes, that's your personal care. Well, you also live in a house. You need money to make sure that house runs. That's your gas, electric and water, TV, Internet, any maintenance that comes with it. Also, when you leave your house, you need transportation. So, you need to make sure you have enough gas in your car, have a repair allowance, and make sure you have enough money for any lease or car payments on it.

You also need insurance to live, on the car, on your medical bills, on your life insurance, any disability or long-term care. That's the essentials I'm talking about, but retirement is about having fun. So, you need a budget for entertainment, that's going out to your favorite restaurants, that's affording the vacation I was just talking about, any hobbies you pick up like golf or pickleball, something that you truly enjoy doing.

To make sure that you have enough money in your retirement lifestyle, it's very important to have an income plan that is a hedge against any volatility so you're not losing any money to negative stock market results. And also, a guarantee in place that you will never outlive your money and those bills be paid the next month, and the next month, all the way into life expectancy. Now, the current retirement income model looks like an upside-down triangle, broken down by three portions.

The bottom, and the smallest portion, is a pension, the next portion is your Social Security, and the biggest portion on the top of that triangle is you. It's savings that you've created today. Now, if I break that down a little more, the pension is all but gone. I would typically say you're lucky if you have one. I can't go to my job and say I want to start a pension today, right now. How do I do that? It doesn't exist, it has to be pre-established before you get to that job.

Next is Social Security, which everyone has access to if you have a job and you're paying into it. But Social Security really only covers about 40% of your retirement lifestyle. Now, the savings portion is the biggest portion, which is on you, the client, to make sure that you have enough assets to last until life expectancy, to cover essential and discretionary expenses that you're looking forward to.

I'm not going to tell you the answer, but there is an insurance solution out there that does have a hedge against volatility and also is a contractual guarantee for lifetime income and you can use your assets today to create that hedge against volatility. Again, contractually guaranteed lifetime income to sustain your retirement needs and create that vacation type lifestyle in retirement. So, if you're either working with a financial advisor or have one who sent you this video, my call to action to you is to reach out to them and ask them, "how can I create guaranteed lifetime income for myself and my family?" I'm going to end it right there, and again, I want to thank you for your time. My name is Michael Clementi, and we'll see you next week.