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REYNOLDS & Associates

focus on®

Retirement

Building a Comfortable Lifestyle for Tomorrow

Contents

This material was written and prepared by Broadridge Advisor Solutions.

Introduction

What Do You See When You Imagine Retirement?

Most people imagine retirement as a happy time — a reward for a lifetime of hard work, full of possibility and potential. Many look forward to pursuing hobbies and traveling, while others might envision an opportunity to go back to school, start a new career or business, or simply spend more time with family and friends.

Americans are living longer, healthier lives than ever before, which means retirement could take up a full third of your life. That's why your retirement assets will have to do more for you over a longer period of time.

And that's why *planning* for retirement is essential.

Three Keys to Funding a Comfortable Retirement

1 Evaluate Your Needs and Set a Goal

- Examine factors that influence your retirement income needs
- Assess the financial resources available to you
- Calculate your retirement savings goal

2 Develop a Strategy

- Understand resources available
- Invest strategically
- Reduce exposure to risk while pursuing portfolio gains

3 Protect Your Nest Egg

- Adjust your portfolio when necessary
- Consider risk protection to help safeguard assets

Factors That Influence Your Retirement Income Needs

These are some of the most important reasons why you need to make retirement planning a key financial goal throughout your lifetime.

- **Retirement age**
- **Length of retirement**
- **Health-care needs**
- **Inflation**
- **Lifestyle**

Retirement Age

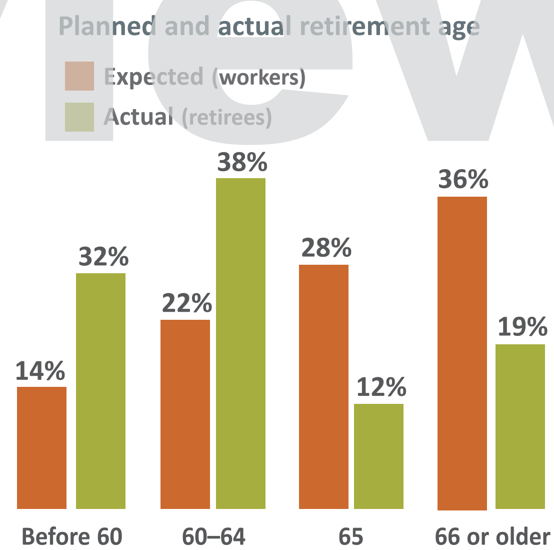
The earlier you retire, the shorter the period of time you have to accumulate funds, and the longer the period of time those dollars will need to last.

Keep in mind that you can't always control the age when you will retire. As this chart shows, the ages when workers expect to retire are later than the actual ages when retirees left the workforce. Consider the possibility that you might be unable to continue working because of poor health or changes at your company.

Early Retirement Considerations

Social Security retirement benefits aren't available until age 62, but the longer you wait to claim benefits, the more you will receive each month (up to age 70).

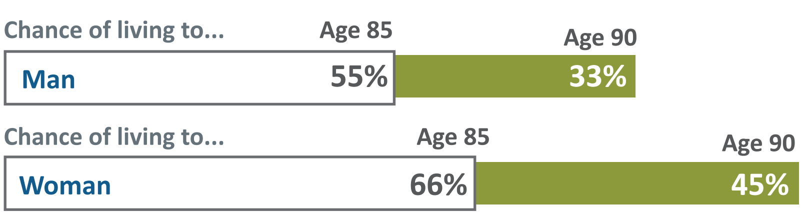
Medicare eligibility begins at age 65.



Source: Employee Benefit Research Institute, 2024 *(numbers don't add up to 100% due to rounding)*

Length of Retirement

With recent advances in technology and medicine, life expectancies are stretching considerably. Chances are good that you'll be spending a large portion of your life in retirement. In fact, a 65-year-old in average health is likely to live another 20 to 30 years. Are you financially prepared to live to age 85 or 90 — or longer?



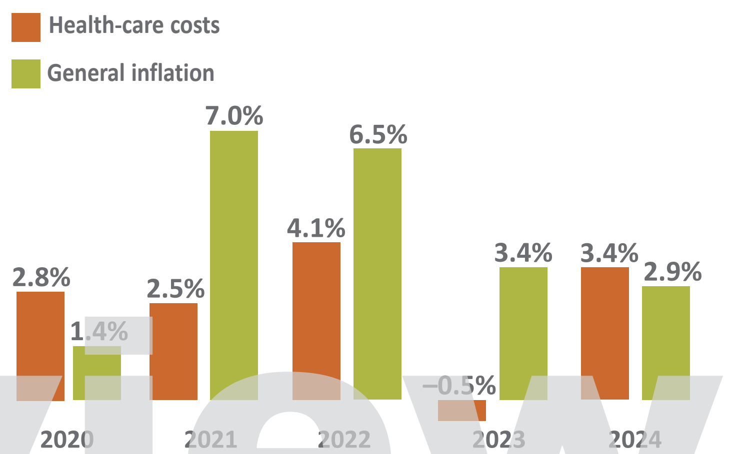
Source: Society of Actuaries, 2025

Health-Care Needs

Longevity relates to the costs of health care. Health-care costs have increased at a faster rate than general inflation in two out of the last five years, and fewer employers offer health benefits to retired workers.

If Medicare benefits remain at current levels, a 65-year-old couple who retired in 2023 may need about $351,000 to pay their health-care expenses in retirement.

Source: Employee Benefit Research Institute, 2024 *(estimate based on savings needed to cover premiums for Medicare Parts B and D, the Part B deductible, premiums for Medigap Plan G, and median out-of-pocket prescription drugs)*



Source: U.S. Bureau of Labor Statistics, 2025

Inflation

Here are four common items and what they could cost in 20 years, assuming a 3% annual inflation rate. This demonstrates that if inflation were to remain steady at a 3% annual rate, the purchasing power of your money would be cut nearly in half in about 20 years.

		Cost Today	Future Cost in 20 Years
	Gallon of milk	$4.00	$7.22
	Haircut	$45.00	$81.28
	Running shoes	$100.00	$180.61
	New car	$47,000	$84,887

Future costs in this hypothetical example are based on mathematical principles and used for illustrative purposes only. A 3% annual inflation rate cannot be guaranteed. Actual results will vary.

Inflation Danger

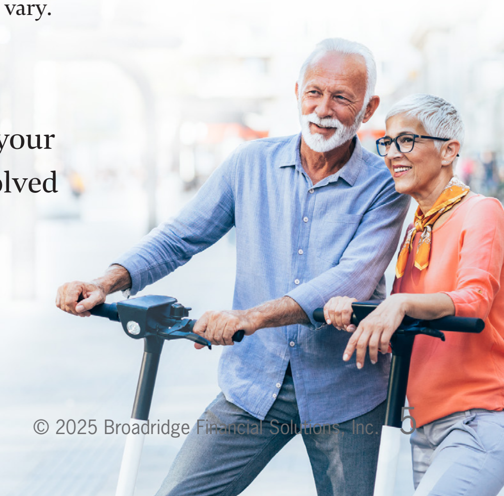
Although inflation averaged 2.6% annually over the past 20 years, this average hides years of unexpected spikes. For example, in 2021 inflation was 7.0%, the highest annual inflation rate since the early 1980s.

Source: U.S. Bureau of Labor Statistics, 2025 (Consumer Price Index, 2005 to 2024)

Lifestyle

The kind of retirement lifestyle you envision will have an impact on your savings needs. For example, you may plan to travel extensively, be involved in philanthropic endeavors, or maintain a country club membership. Or you may simply want to spend more time with your grandchildren.

Depending on your lifestyle, you may need anywhere from 70 to 100% of your pre-retirement income to live comfortably in retirement.



Possible Sources of Retirement Income

Social Security

Continued employment earnings

Personal savings and investments

Can You Count on Social Security?

Many people have heard about the risks to the Social Security trust fund and wonder if their benefits will be there for them when they retire.

Although Social Security does face financial challenges, it's possible that some action will be taken to help shore up the program in the coming years.

Keep in mind that Social Security was never meant to be the only source of income for retirees. That's why it's so important to save early and often for retirement.

To create your own personal account and view your Social Security Statement online, visit ***ssa.gov/myaccount***.

Social Security

The Social Security benefit you receive is based on your highest 35 years of career earnings (the years in which you paid Social Security payroll taxes), as well as on the age when you claim benefits.

Year of birth	Full retirement age	% reduction at age 62
1943–54	66	25.00%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.50%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 & later	67	30.00%

If you claim Social Security at age 62, your benefit will be 25 to 30% lower than it would be if you waited until "full retirement age" (see table). For each year you delay benefits from full retirement age to age 70, you earn delayed retirement credits, which increases your benefit by about 8% each year. Married couples generally have additional claiming options, including spousal and survivor benefits.

Social Security is designed to replace only a portion of pre-retirement income for individuals age 65 and older. In 2025, the estimated average monthly Social Security benefit for all retired workers is $1,976.

Source: Social Security Administration, 2024

Continued Employment Earnings

Although 75% of today's workers expect to work for pay in retirement, the reality is that only 30% of retirees have actually worked for pay at some time during their retirement years.

If you base your retirement income on working in retirement, keep in mind that 47% of retirees had to stop working earlier in their careers than they had planned, often because of unexpected crises.

Source: Employee Benefit Research Institute, 2024

75% of workers expect to continue working for pay after reaching retirement age.

30% of retirees say they have worked for pay in retirement.

Personal Savings and Investments

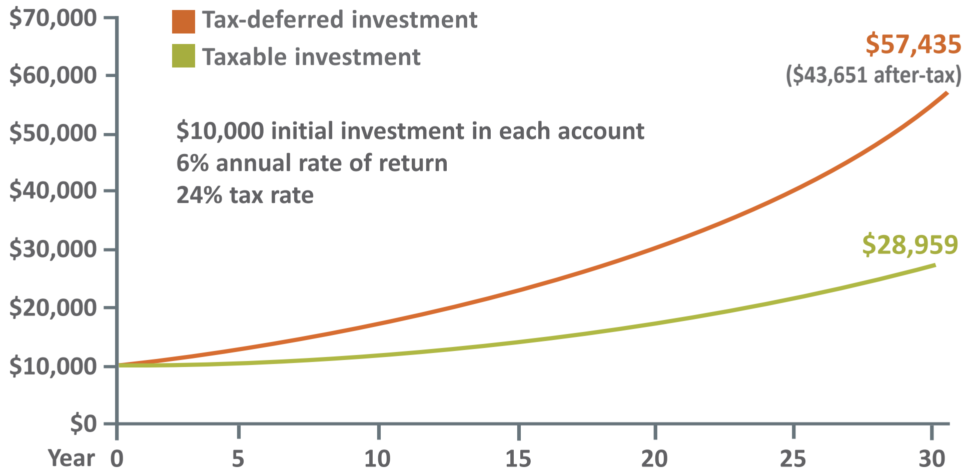
The bulk of retirement income for many of today's workers will probably come from their personal savings and investments. People often save for retirement using tax-deferred vehicles such as work-based retirement plans and IRAs. Many individuals also invest in taxable financial vehicles such as stocks, bonds, cash alternatives, mutual funds, and exchange-traded funds (ETFs).

Stock, mutual fund, and exchange-traded fund shares fluctuate with changes in market conditions. When redeemed, shares may be worth more or less than their original cost. Bond funds are subject to the interest-rate, inflation, and credit risks associated with the underlying bonds in the fund. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance.

Mutual funds and ETFs are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

The Value of Tax Deferral

When you contribute to a tax-deferred account, you might be able to contribute more without reducing your cash flow because of the current-year tax savings. And your savings may be able to accumulate faster over time because you have your full contribution working for you. You pay no current taxes on contributions or any earnings until you withdraw the money (generally in retirement), and at that time you may be in a lower income tax bracket.



This hypothetical example is used for comparison purposes only and does not reflect the performance of any specific investments. The taxable account assumes that a portion of assets is used to pay taxes (24%) attributable to the account's earnings. Rates of return will vary over time, especially for long-term investments. Actual results will vary. Investment fees and expenses are not considered and would reduce the results shown if they were included. Lower maximum tax rates for capital gains and dividends, as well as the tax treatment of investment losses, could make the taxable investment return more favorable, reducing the difference in performance between the accounts shown.

Calculate Your Goal

You can use the following worksheet to determine how much money you will need to fund the retirement lifestyle you have envisioned. The factors on the facing page will help you complete the calculations.

	Example	You
1. Expected retirement age	67	________
2. Estimated length of retirement	25	________
3. Current annual income	$ 75,000	$ ________
4. Percentage of income desired in retirement	80%	________%
5. Annual income desired in current dollars *(line 3 times line 4)*	$ 60,000	$ ________
6. Estimated annual Social Security income in current dollars	$ 30,000	$ ________
7. Expected annual pension income in current dollars	$ 0	$ ________
8. Income needed from savings and investments in current dollars *(line 5 minus lines 6 and 7)*	$ 30,000	$ ________
9. Income needed from savings and investments in future dollars *(line 8 times Factor A)*	$ 112,005	$ ________
10. Estimated amount you should strive to save by retirement, in future dollars *(line 9 times Factor B)*	$ 1,950,354	$ ________
11. Amount you have saved already	$ 150,000	$ ________
12. What your savings might grow to by the time you retire *(line 11 times Factor C)*	$ 1,198,215	$ ________
13. Amount you still need to save by the time you retire *(line 10 minus line 12)*	$ 752,139	$ ________
14. Amount you need to save each year *(line 13 times Factor D)*	$ 8,574	$ ________

Ahead of the Game

Only 52% of U.S. workers say they and/or their spouse have tried to calculate how much money they will need to retire comfortably.

Source: Employee Benefit Research Institute, 2024

The hypothetical example shown assumes a 40-year-old who plans to retire at 67 and spend 25 years in retirement. It is used for illustrative purposes only and does not represent any specific investment. Even though this example uses a hypothetical 8% rate of return, remember that rates of return will vary over time, particularly for long-term investments. Actual results will vary.

You should bear in mind that roughly calculating the cost of retirement is only a beginning. We recommend a more thorough cash-flow analysis considering all sources of income and expenses.

Evaluate Your Needs

Years Until Retirement	Factor A	Factor C	Factor D	Expected Life Span After Retirement	Factor B
5	1.2763	1.4693	0.1705	5	4.5797
6	1.3401	1.5869	0.1363	6	5.4172
7	1.4071	1.7138	0.1121	7	6.2303
8	1.4775	1.8509	0.0940	8	7.0197
9	1.5513	1.9990	0.0801	9	7.7861
10	1.6289	2.1589	0.0690	10	8.5302
11	1.7103	2.3316	0.0601	11	9.2526
12	1.7959	2.5182	0.0527	12	9.9540
13	1.8857	2.7196	0.0465	13	10.6350
14	1.9799	2.9372	0.0413	14	11.2961
15	2.0789	3.1722	0.0368	15	11.9379
16	2.1829	3.4259	0.0330	16	12.5611
17	2.2920	3.7000	0.0296	17	13.1661
18	2.4066	3.9960	0.0267	18	13.7535
19	2.5270	4.3157	0.0241	19	14.3238
20	2.6533	4.6610	0.0219	20	14.8775
21	2.7860	5.0338	0.0198	21	15.4150
22	2.9253	5.4365	0.0180	22	15.9369
23	3.0715	5.8715	0.0164	23	16.4436
24	3.2251	6.3412	0.0150	24	16.9355
25	3.3864	6.8485	0.0137	25	17.4131
26	3.5557	7.3964	0.0125	26	17.8768
27	3.7335	7.9881	0.0114	27	18.3270
28	3.9201	8.6271	0.0105	28	18.7641
29	4.1161	9.3173	0.0096	29	19.1885
30	4.3219	10.0627	0.0088	30	19.6004
31	4.5380	10.8677	0.0081	31	20.0004
32	4.7649	11.7371	0.0075	32	20.3888
33	5.0032	12.6760	0.0069	33	20.7658
34	5.2533	13.6901	0.0063	34	21.1318
35	5.5160	14.7853	0.0058	35	21.4872
36	5.7918	15.9682	0.0053	36	21.8323
37	6.0814	17.2456	0.0049	37	22.1672
38	6.3855	18.6253	0.0045	38	22.4925
39	6.7048	20.1153	0.0042	39	22.8082
40	7.0400	21.7245	0.0039	40	23.1148

Assumptions:

Factor A – **5% inflation rate**

Factor B – **3% real rate of return**

Factor C – **8% return on investment**

Factor D – **8% discount factor**

Work-Based Retirement Plans

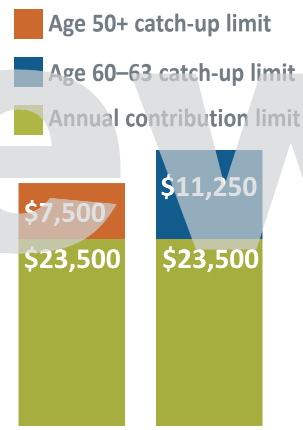
What Is a Qualified Roth Distribution?

In order for a Roth distribution to be free of federal tax, you must satisfy a five-year holding requirement *and* have reached age 59½ (or be disabled when you receive the payment). In the event of your death, your beneficiaries can also receive a tax-free distribution.

The earnings portion of a nonqualified distribution is subject to income tax and a potential 10% early-distribution penalty.

Retirement plans sponsored by employers — such as 401(k) and 403(b) plans — offer a number of benefits. You can generally contribute a percentage of your salary using pre-tax funds, which reduces your current income tax liability and may enable you to contribute more each month. This can greatly enhance the growth potential of the invested funds by allowing each year's savings to build on the pre-tax accumulation of previous years. It's a good idea to contribute as much to your plan as you can afford, and especially enough to take advantage of a company match, if one is offered.

Defined contribution plans are subject to federal contribution limits. In 2025, most workers may contribute up to $23,500. Workers who are age 50 and older may save an additional $7,500, and those who reach age 60, 61, 62, or 63 in 2025 can contribute an additional $11,250.



If you change jobs, you may be able to transfer the assets you've accumulated to your new employer's plan, if the new plan allows rollovers, or to an IRA.

Distributions from most work-based plans are taxed as ordinary income. Withdrawals prior to age 59½ may be subject to a 10% early-distribution penalty. Generally, required minimum distributions (RMDs) must begin for the year in which you reach age 73 (75 for those who turn 73 after December 31, 2032).

Roth Contributions

Your work-based retirement plan may also offer a Roth account option. Roth contributions are made with after-tax dollars, so you don't receive an immediate tax savings as you do with pre-tax contributions. But if you meet certain conditions, the earnings in your Roth account are entirely free of federal income tax. (Any distribution that represents a return of your own contributions is always tax-free.)

The limits for traditional and Roth 401(k) contributions are the same and apply to your *total* pre-tax and Roth contributions. For example, if you make $13,500 of pre-tax contributions, you can only make $10,000 of Roth contributions (unless you're age 50 or older). Not all work-based plans allow Roth contributions. Check with your plan administrator.

Individual Retirement Accounts

IRAs may offer a broader range of investment options than employer-sponsored plans. Anyone with earned income can contribute to a traditional IRA. Contributions to a traditional IRA are generally tax deductible, unless you participate in an employer-sponsored retirement plan and your income exceeds certain limits.

Here's what you could save in taxes by making tax-deductible contributions.

Contribution	Current-year tax savings by tax bracket					
	12%	22%	24%	32%	35%	37%
$7,000	$840	$1,540	$1,680	$2,240	$2,450	$2,590
$8,000	$960	$1,760	$1,920	$2,560	$2,600	$2,960

This hypothetical example is used for illustrative purposes only. The actual net savings in federal income taxes owed will vary.

For active participants in work-based retirement plans, traditional IRA deductibility begins to phase out at modified adjusted gross incomes of more than $79,000 for single filers and more than $126,000 for married taxpayers filing jointly in 2025.

The annual contribution limit to Roth and traditional IRAs combined in 2025 is $7,000 (8,000 for those age 50 and older). Your contributions and any earnings accumulate tax deferred, although early withdrawals prior to age 59½ may be subject to a 10% early-distribution penalty.

Distributions from traditional IRAs are taxed as ordinary income. Like work-based plans, traditional IRAs are subject to RMDs starting at age 73.

Roth IRAs differ from traditional IRAs in several ways:

- **Funded with after-tax contributions (or assets converted from tax-deferred plans); qualified distributions are tax-free**
- **Eligibility to contribute begins to phase out at higher modified adjusted gross income levels: more than $150,000 for single filers and more than $236,000 for married couples filing jointly in 2025**
- **Contributions (not earnings or converted assets) can be withdrawn tax-free and penalty-free at any time, for any reason**
- **No required minimum distributions (if you're the original owner)**

Having an income source that is not taxable could be important if you're in a high income tax bracket in retirement or if tax rates increase in the future.

To qualify for a tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet the five-year holding requirement and take place after age 59½ or result from the original owner's death, disability, or a qualifying first-time home purchase ($10,000 maximum).

Three Fundamental Principles

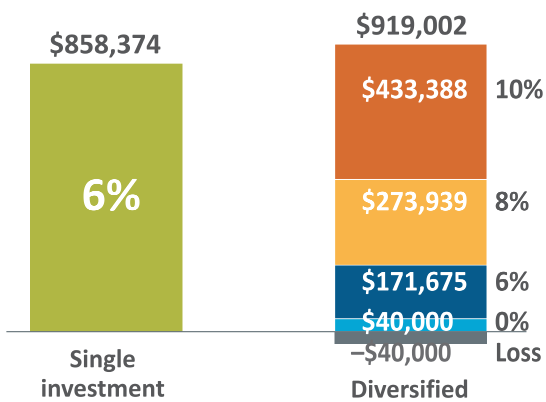
Diversification
Asset allocation
Dollar-cost averaging

Diversification

Diversification and asset allocation do not guarantee a profit or protect against investment loss; they are methods used to help manage investment risk.

Diversification involves investing in different investment vehicles in an attempt to limit exposure to losses in any one sector of the market.

Here's an example. The portfolio below on the left remains invested in one investment earning a 6% annual rate of return for 25 years. The diversified account on the right is divided into five equal parts. Three of them grow at different average rates of return during the same period: 10%, 8%, and 6%. One investment didn't grow at all, and another resulted in a total loss. Even though each individual investment performed differently, the diversified portfolio was worth about $60,000 more than the single-investment portfolio.



This hypothetical example is used for illustrative purposes only. The results are not indicative of any specific investments, and the returns do not consider the effects of taxes, fees, brokerage commissions, or other expenses typically associated with investing. Investments offering the potential for higher rates of return involve a higher degree of risk. Actual results will vary.

Asset Allocation

Asset allocation is a systematic approach to diversification that determines an efficient mix of assets for a given investor, based on his or her individual needs. It involves strategically dividing a portfolio into different asset classes — typically, stocks, bonds, and cash alternatives — to seek the highest potential return for the investor's risk profile. When personalizing your own asset allocation model, three main considerations are your investment goal(s), time frame, and risk tolerance.

Investment Goal(s)

How much are you trying to accumulate for retirement? Once you establish your savings goal, you can determine the appropriate mix of assets for your investment portfolio.

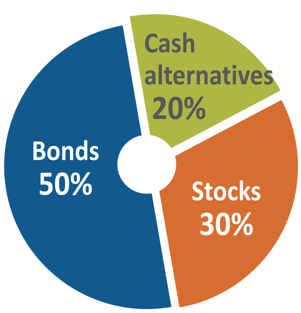
Time Frame

The amount of time you have before you retire can have a tremendous impact on the investment categories you choose. That's because fluctuations in the financial markets can affect the value of your portfolio from one year to the next. If you don't expect to retire for another 20 to 30 years, you may be able to invest more aggressively because your portfolio would have more time to recover from short-term market fluctuations. If retirement is just around the corner, you might want to invest more conservatively to help shelter your portfolio from potential losses.

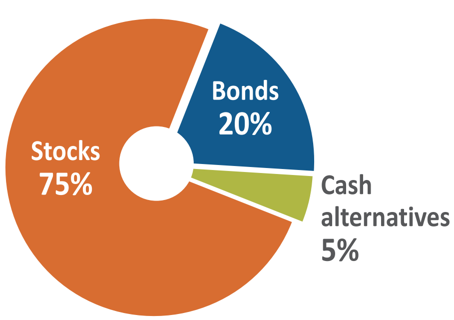
Risk Tolerance

Your risk tolerance basically refers to how well you are able to withstand potential losses in your portfolio. Generally, the more potential for growth offered by an investment, the more risk it carries.

Sample Asset Allocations



Conservative
Time frame: 20 years
Primary goal: minimize volatility



Aggressive
Time frame: 20 years
Primary goal: pursue growth

These hypothetical portfolios are shown for illustrative purposes only. They are examples, not recommendations. Investments offering the potential for higher rates of return also involve a higher degree of risk of principal.

How Much Risk Can You Stand?

Market performance over the past decade has tested many investors' risk tolerance and driven home the fact that this is an essential consideration of a sound investment strategy.

This quiz will help you assess your own ability to withstand risk. It might help you make more informed decisions regarding which investments may be appropriate for your portfolio.

On the Road to Retirement

Because the markets are unpredictable, it may be a good idea to invest more aggressively during the early accumulation years — when your portfolio would have time to recover from market fluctuations — and shift to a more conservative strategy as retirement approaches and your time frame shrinks.

Risk Tolerance Quiz

Which of the following investments do you feel most comfortable with?

a. Certificate of deposit
b. High-grade corporate bond
c. Growth stock

Of the following stocks, which do you feel would most suit your needs?

a. A conservative utility stock that pays high dividends but offers little chance for long-term growth
b. A "blue chip" stock that offers the potential for modest dividends and growth
c. An aggressive small-company stock that pays no dividends but offers great potential for long-term growth

What have you traditionally considered most important from your investments?

a. Safety
b. Conservative growth
c. Maximum growth

You just made a $100,000 investment. The following amounts represent the estimated best-case and worst-case scenarios after one year. Which range of possible outcomes would you prefer?

	best case	*worst case*	*possible gain/loss*
a.	$104,000	$96,000	$ 4,000
b.	$108,000	$92,000	$ 8,000
c.	$112,000	$88,000	$12,000

Which statement most closely resembles your feelings about risk?

a. I am not willing to take risks with my investments.
b. I am willing to take limited risks with my investments.
c. I am willing to take substantial risks with my investments.

Scoring Give yourself: 10 points for every "a" answer
20 points for every "b" answer
30 points for every "c" answer

50–80: You are a relatively low-risk investor. You are mostly concerned with the preservation of your capital and the potential for current income. You are not willing to risk your capital for greater potential returns.

90–110: You are generally conservative, but you recognize the need to consider growth-oriented alternatives. You may be willing to take modest risk to earn above-average, long-term returns.

120–150: You may be a relatively high-risk investor. You are mostly concerned with long-term appreciation, and you may be willing to take on more risk to earn greater long-term potential returns.

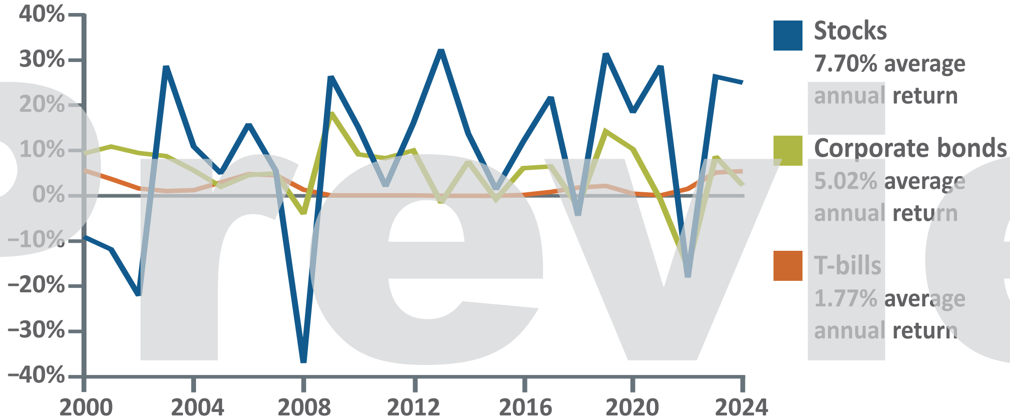
Why Your Time Horizon and Risk Tolerance Matter

The graph below shows the volatility and historical performance of various types of investments over the last 25 years. Notice how the investment classes that have performed the best have also fluctuated the most widely from year to year. It's a powerful reminder of why it is important to keep your time frame and risk tolerance in mind when developing your asset allocation model.

Overestimating your portfolio's returns could cause you to save too little and not reach your goals.

The difference between a 9% *expected* annual return on a $100,000 portfolio and a 6% *actual* average annual return would be $239,728 over 20 years.

Historical investment performance



Source: London Stock Exchange Group, 2025, for the period 1/1/2000 to 12/31/2024. Stocks are represented by the S&P 500 Composite Total Return Index. The S&P 500 is an unmanaged index that is generally considered representative of the U.S. stock market. Corporate bonds are represented by the Citigroup Corporate Bond Composite Index, which is generally considered representative of the U.S. corporate bond market. Treasury bills are represented by the Citigroup One-Month Treasury Bill Index. T-bills are backed by the full faith and credit of the U.S. government as to the timely payment of principal and interest. The returns shown do not reflect taxes, fees, brokerage commissions, or other expenses typically associated with investing. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Actual results will vary.

Dollar-Cost Averaging

This strategy involves investing a set amount of money on an ongoing basis to accumulate funds over time. For example, if you invested a specific dollar amount in the stock market at regular intervals — say $100 each month — that $100 would automatically buy more shares when prices are low and fewer shares when prices rise, resulting in an overall lower cost per share over time.

Dollar-cost averaging involves continuous investing, regardless of fluctuating price levels. You should consider your financial ability to continue investing during periods of low and high price levels. Dollar-cost averaging does not guarantee a profit or protect against a loss in declining markets.

	Regular Investment	Market Price/Share	Shares Acquired
Month 1	$100	$6.00	16.7
Month 2	$100	$3.00	33.3
Month 3	$100	$4.00	25.0
Month 4	$100	$8.00	12.5
Month 5	$100	$5.00	20.0
Total	**$500**	$26.00	**107.5**

Average share price over time period: $5.20 ($26 ÷ 5)
Average cost per share purchased: $4.65 ($500 ÷ 107.5)

This hypothetical example is used for illustrative purposes only. Actual results will vary.

Periodic Portfolio Reviews and Maintenance

To help protect your nest egg as it grows, your portfolio will need periodic reviews and maintenance. Typically, you want to examine your investment mix and performance at least once a year, and at any time you have a major change that might affect your objectives. For instance, when you get a promotion or a raise, you might increase your savings rate and reevaluate your investment mix. Other situations might include a change in marital status, the birth of a child, when children graduate from college, when you change jobs, and, of course, when you are preparing to retire.

Changes in your investing outlook may also affect your investing strategy. By monitoring your portfolio to see how it performs during and after significant changes in the economy, you may want to consider adding, selling, or shifting assets to potentially enhance performance. Rebalancing the assets in your portfolio on a regular basis may help keep your assets in line with your investment strategy and risk tolerance. *Note: Rebalancing may result in a taxable event.*

Prepare for the Unexpected

You've worked hard to build your retirement savings. Don't let an unexpected tragedy rob you and your family of what you have rightfully earned. Insurance products are designed to help protect you from unexpected financial risk, both before and during retirement.

Life Insurance

Most people purchase life insurance to provide financially for their loved ones in the event of their death — to cover funeral expenses, settle debts, pay for a child's education, pay off a mortgage, or replace a breadwinner's income. The benefit from a life insurance policy can also help:

- **Fund unexpected expenses during your lifetime**
- **Protect a business if an owner dies**
- **Preserve your estate for your heirs**

As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. The cost and availability of life insurance depend on such factors as age, health, and the type and amount of insurance purchased. Before implementing a strategy involving life insurance, it would be prudent to make sure that you are insurable. For whole life policies, access to cash value is through withdrawals or loans. Policy loans will reduce the cash value by the amount of any outstanding loan balance plus interest, will reduce the policy's death benefit, increase the chance that the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured. Additional out-of-pocket payments may be needed if actual dividends or investment returns decrease, if you withdraw policy values, if you take out a loan, or if current charges increase.

Long-Term Care Strategy

The costs of long-term care — for yourself or for an aging relative — can derail even the most well-thought-out retirement savings strategy. Research indicates that 70% of today's 65-year-olds will need some form of long-term care services and support during their lifetimes. Unfortunately, Medicare and most health insurance policies offer little relief for those who need this type of custodial care.

Not only could the cost of long-term care be daunting, but costs can vary substantially depending on where you live. Few retirees can afford to pay these costs out of pocket for a long period of time. And many people may not want to burden their families with the task of caregiving.

National median nursing home cost
$116,800

National median assisted living cost
$64,200

National median home health aide cost
$75,504

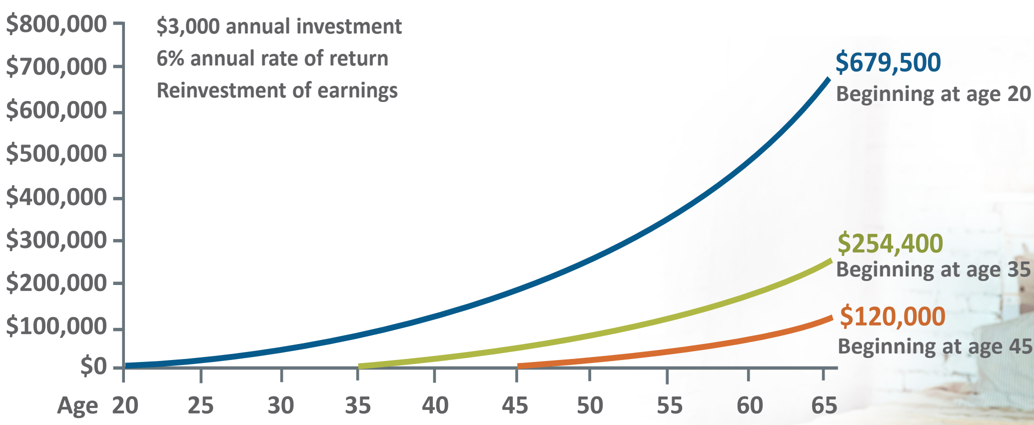
Sources: U.S. Department of Health and Human Services, 2025; Genworth Financial, Inc., 2024 (2023 data; most current available). The national median nursing-home cost is based on care in a private room; the median assisted living facility cost is for a private one bedroom; the median home health aide cost is based on care for 44 hours per week.

Even the median cost of adult day health care has risen to $2,058 a month ($24,700 annually) on a national basis.

Source: Genworth Financial, Inc., 2024 (2023 data; most current available)

Start Saving Now

Why should you make saving for retirement a priority now and throughout your life? Because time can be one of your strongest allies. The following example illustrates how much you could accumulate by investing $3,000 every year starting at age 20 versus starting at age 35 or age 40. This doesn't mean there's no hope if you're older and haven't started to save. It just makes it all the more important that you commit to making and keeping your savings plan a high priority.



This hypothetical example of mathematical compounding is used for illustrative purposes only and does not represent the performance of any specific investments. Taxes are not considered. Rates of return will vary over time, particularly for long-term investments. Investments offering the potential for higher rates of return also involve a higher degree of investment risk. Actual results will vary.

Figuring Out Your Net Cash Flow

How much discretionary income do you have available after your monthly obligations are met? Can you account for where the money goes? Some people are surprised at the amount they should be able to save and invest each month but don't. Analyze your cash flow for the current month. Because income and expenses can vary from month to month, you may wish to estimate your cash flow through all 12 months or take a 12-month average.

Monthly Income	
Wages, salary, tips	$
Alimony, child support	$
Dividends from stocks, mutual funds, etc.	$
Interest on savings accounts, bonds, CDs, etc.	$
Social Security benefits	$
Pensions	$
Other income	$
TOTAL MONTHLY INCOME	$

Monthly Expenses			
Mortgage payment or rent	$	Other transportation	$
Vacation home mortgage	$	Life insurance	$
Automobile loan(s)	$	Homeowners insurance	$
Personal loans	$	Automobile insurance	$
Charge accounts	$	Medical, dental, disability insurance	$
Federal income taxes	$	Unreimbursed medical, dental expenses	$
State income taxes	$	Entertainment/dining	$
FICA (Social Security)	$	Recreation/travel	$
Real estate taxes	$	Club dues	$
Other taxes	$	Hobbies	$
Utilities (electricity, heat, water, telephone, etc.)	$	Gifts	$
Household repairs and maintenance	$	Major home improvements and furnishings	$
Food	$	Professional services	$
Clothing/laundry	$	Charitable contributions	$
Education expenses	$	Other expenses	$
Child care	$		
Automobile expenses (gas, repairs, etc.)	$	**TOTAL MONTHLY EXPENSES**	$

NET CASH FLOW	
Total monthly income	$
Total monthly expenses	$
Discretionary monthly income *(Subtract your expenses from your income)*	$

How much of your discretionary monthly income are you investing or saving each month? $______________

Figuring Out Your Net Worth

Your net worth is the value of all your assets minus all your liabilities. It provides a snapshot of your overall financial health. By tracking your net worth over time, you might become motivated to save more, spend less, and invest for the future.

Tangible Assets	
Residence	$
Vacation home	$
Furnishings	$
Automobiles	$
Rental real estate	$
Art, jewelry, or other valuables	$

Equity Assets	
Qualified retirement funds	$
Stocks	$
Equity mutual funds	$
Variable life insurance (cash value)	$
Variable annuities	$
Limited partnerships	$
Business interests	$

Fixed-Principal Assets	
Fixed-interest annuities	$
Life insurance (cash value)	$
Other assets	$

Debt Assets	
U.S. government bonds and agency securities	$
Municipal bonds	$
Corporate bonds	$
Face amount certificates	$
Debt mutual funds	$

Cash and Cash Alternatives	
Checking accounts	$
Savings accounts	$
Money market funds	$
Certificates of deposit	$
Other cash reserve accounts	$
TOTAL ASSETS *(Add tangible, equity, fixed principal, debt assets, and cash)*	$

Liabilities	
Home mortgage	$
Other mortgage	$
Automobile loans	$
Bank loans	$
Personal loans	$
Charge-account debt	$
Other debts	$
TOTAL LIABILITIES	$

NET WORTH	
Total assets	$
Total liabilities	$
NET WORTH *(Subtract your liabilities from your assets)*	$

Set a goal for yourself.

What would you like your net worth to be in 5 years? $ ____________

What would you like it to be in 10 years? $ ____________

What to Bring

Please bring the following documents to your complimentary, no-obligation consultation:

1. ____
2. ____
3. ____
4. ____
5. ____

Your consultation is scheduled for:

____

Date Time

REYNOLDS
& Associates

broker-dealer disclosure