



# Congratulations!

## The Older You Are, the Longer You Are Going to Live

According to LIMRA Secure Retirement Institute, a worldwide retirement research organization, “90 is now the new 70.”<sup>1</sup>

While U.S. government figures on average life expectancy (currently at 78.8 years<sup>2</sup>) cover all births and deaths, the numbers are not accurate guidelines to calculate finances in retirement.

### As Longevity Increases, Retirement Plans Will Have to Cover Longer Time Horizons

For example, for a 65-year old couple of average health, there is a better than 55% chance one of them will live to age 92 and a 1 in 4 chance that one of them will reach age 97.<sup>3</sup>

That’s why as longevity improves for Americans, retirement plans need to be recalculated to cover someone living through their mid-90s *at a minimum*.

For a 65-Year-Old Married Couple, the Odds that at Least One Will Reach 92 Is 55.8%

One spouse lives to age...	Probability
75	98.8%
80	95.7%
<b>92</b>	<b>55.8%</b>
97	25.4%
100	11.9%

Calculations based on Society of Actuaries, 2012 Individual Annuity Mortality Tables.

<sup>1</sup> ThinkAdvisor, article on LIMRA survey <http://www.thinkadvisor.com/2016/01/21/when-planning-for-retirement-90-is-the-new-70>

<sup>2</sup> Source: Centers for Disease Control and Prevention (CDC) website: <http://www.cdc.gov/nchs/fastats/life-expectancy.htm>

<sup>3</sup> Source: Society of Actuaries, 2012 Individual Annuity Mortality Tables.

---

In 1955, the U.S. government census showed that the average life expectancy was just about 70. For today's retirees, retirement funding will need to last longer than their parents ever imagined.

---

## The Longevity Awareness Gap

**While 90 may be the new 70, most workers and retirees don't seem to believe it.**

According to the Employee Benefit Research Institute and Greenwald & Associates 2017 Retirement Confidence Survey, most survey respondents expect to live to age 85, but only a minority think they will reach age 95.<sup>4</sup>

Among workers, 60% say they are "very" or "somewhat likely" to live to age 85, while only 22% feel "very likely" to do so. Slightly more so than workers, 67% of retirees under the age of 85 expect to live until that age, including 32% who think it "very likely" they will do so. On the other hand, just 27% of workers and an equal share of retirees feel they are "very" or "somewhat likely" to live until age 95

**WHILE THEIR EXPECTATIONS FOR THEIR OWN LONGEVITY FALL SHORT OF THE ACTUAL DATA PROJECTIONS, 71% OF CONSUMERS AGE 50-75 STATE THAT HAVING ENOUGH MONEY TO LAST THEIR LIFETIMES IS THEIR TOP RETIREMENT GOAL.**

—LIMRA SECURE RETIREMENT INSTITUTE

<sup>4</sup> Source: Employee Benefit Research Institute and Greenwald & Associates, 1991 2015 Retirement Confidence Surveys [https://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content\\_id=5513](https://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=5513)

## Putting Longevity into Perspective

As traditional pensions have become a thing of the past, you may be one of the many who self-funds their retirement. This could leave you more vulnerable to longevity risk, which might impact your retirement income or cause your portfolio to underperform and ultimately not meet your needs.

Here's why: Having enough money to live on requires both managing savings and sources of income—such as Social Security. In 2014, nearly three-fourths of Americans claimed Social Security before they reached full retirement age. If you or a loved one are among the fortunate for whom “90 is now the new 70,” claiming Social Security early (instead of at age 66 or later) may lock you into smaller payouts for three decades or more.

---

Perhaps more than any other factor, longevity has changed the very concept of retirement. People are living longer than ever thanks to advances in medicine and healthier lifestyles. This is great news, but longer lifespans mean we must also plan—and save—for extended time horizons.

---

# Plan on Living Longer

While your actual lifespan is unknowable, there are some tools to help you plan ahead. For example, you may want to try the life expectancy calculator developed by the Social Security Administration to get an estimate of your potential lifespan based on your gender and birth date. Find the calculator at <https://www.ssa.gov/OACT/population/longevity.html>.

**Additionally, here are three steps to consider on your way to managing the longevity risk of outliving your money:**

1

## Plan for a Longer Retirement

Thanks to healthier lifestyles and breakthroughs in medical technology, life expectancy for Americans has increased significantly during the past half-century. While you may live longer than you ever expected, you will not be alone. The dramatic increase and its marketplace impact on the demand for retiree-oriented goods and services are expected to continue through 2050, when the numbers of those aged 65 and over will soar past 80 million.

2

## Focus on What You Can Control

While no one can control market events, the prices of securities or the direction of interest rates, there are aspects of retirement planning you can control:

- View retirement planning as a two step process. The first step involves accumulating the assets you need now to trigger the second step: the income you will need later.
- Budgeting and setting priorities. You might be surprised how eliminating some non-essential spending over the near-term can add up over time.

3

## Choose a Financial Professional

While you are responsible for your own retirement, you don't have to do this alone. You can reach out to established financial professionals in your region for counsel and insights on reducing the odds of outliving your money. Depending on your needs and risk tolerance, your financial professional can develop a financial plan designed to grow your assets to accommodate your future income needs. This professional can help you secure a sustainable retirement lifestyle strategy by reviewing some of the products available to you such as stocks and bonds, mutual funds, annuities or other strategies.

# For the Retirement Dimensions in Your Life: Growth Today for Income Tomorrow

If you are like many individuals nearing or entering retirement, you are looking to achieve two primary goals: Accumulate dollars today and receive dependable income tomorrow.

The journey between those goals, however, may involve unwanted risk exposure unless you have adequate information, expert advice and access to proven strategies. One strategy you and your financial professional may want to consider to secure a sustainable retirement lifestyle is a proven, cornerstone financial product like a fixed index annuity (FIA).

An FIA, in effect, is a contract between you and an insurance company that is designed to help you meet your long-term retirement needs. In exchange for your payment of an insurance premium, the insurance company gives you the opportunity to earn additional interest based on the performance of a market index, and pays you income in the future (subject to state availability—restrictions may apply). Guarantees are backed by the financial strength and claims-paying ability of the insurance company issuing the annuity.

## Experience Delaware Life Dimensions

Delaware Life Dimensions is designed to help you reach your retirement goals through timely, thoughtful ideas and leading research. This 12-part educational program offers general advice concerning principal preservation, growth and income during retirement. It is not intended as a substitute for a consultation with a qualified financial professional who understands how this information may apply to your specific situation.

## Is a Fixed Index Annuity Right for You?

You might be a good candidate for an FIA if you agree with any of these statements:

"I want a convenient way to receive predictable monthly payments after I retire."

---

"I need to find a way to preserve my retirement principal."

---

"I'm retiring yet still want my money to keep growing while it pays me income."

---

"I'd like a solution that locks in value I can leave to my heirs."

## Do You Want to Learn More?

Ask your financial professional about other topics in the **Delaware Life Dimensions Retirement Education Series**, including:

**>3** **Thinking of Retirement as a Business** Individuals increasingly are choosing to retire “to” something rather than simply “from” a job.

**>6** **Tempering Market Volatility** With less time to make up for losses, individuals can turn to a strategy that offers principal protection with a chance to grow retirement assets.

**>9** **Overcoming Low Yields** Recent history shows that conventional bank-insured products aren’t generating enough income for most retirement-minded investors. A look at FIAs can offer an alternative approach.

## About Delaware Life

We are dedicated to supporting you with valuable, straightforward solutions that help you save today and provide income for tomorrow. Our current product offerings include fixed and fixed index annuities. Delaware Life Insurance Company manages approximately 342,000 in-force annuity and life insurance policies representing \$36.6 billion in assets under management and \$14.1 billion of invested assets as of September 30, 2017.

### Contact Your Financial Professional Today to Learn More

Delaware Life Insurance Company is authorized to transact business in all states except New York, as well as in the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Delaware Life Insurance Company is a member of Group One Thousand One.

**NOT FDIC/NCUA INSURED | MAY LOSE VALUE | NO BANK/CREDIT UNION GUARANTEE | NOT A DEPOSIT  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

This communication is for informational purposes only. It is not intended to provide, and should not be interpreted as individualized investment, legal or tax advice. To obtain such advice, please consult with your investment, legal or tax professional.

© 2017 Delaware Life Insurance Company. All rights reserved.

DLPC 0539 09/17 EXP 09/18 (Revised 12/17)