



MAKING SENSE OF RETIREMENT

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MAKING SENSE OF INVESTING

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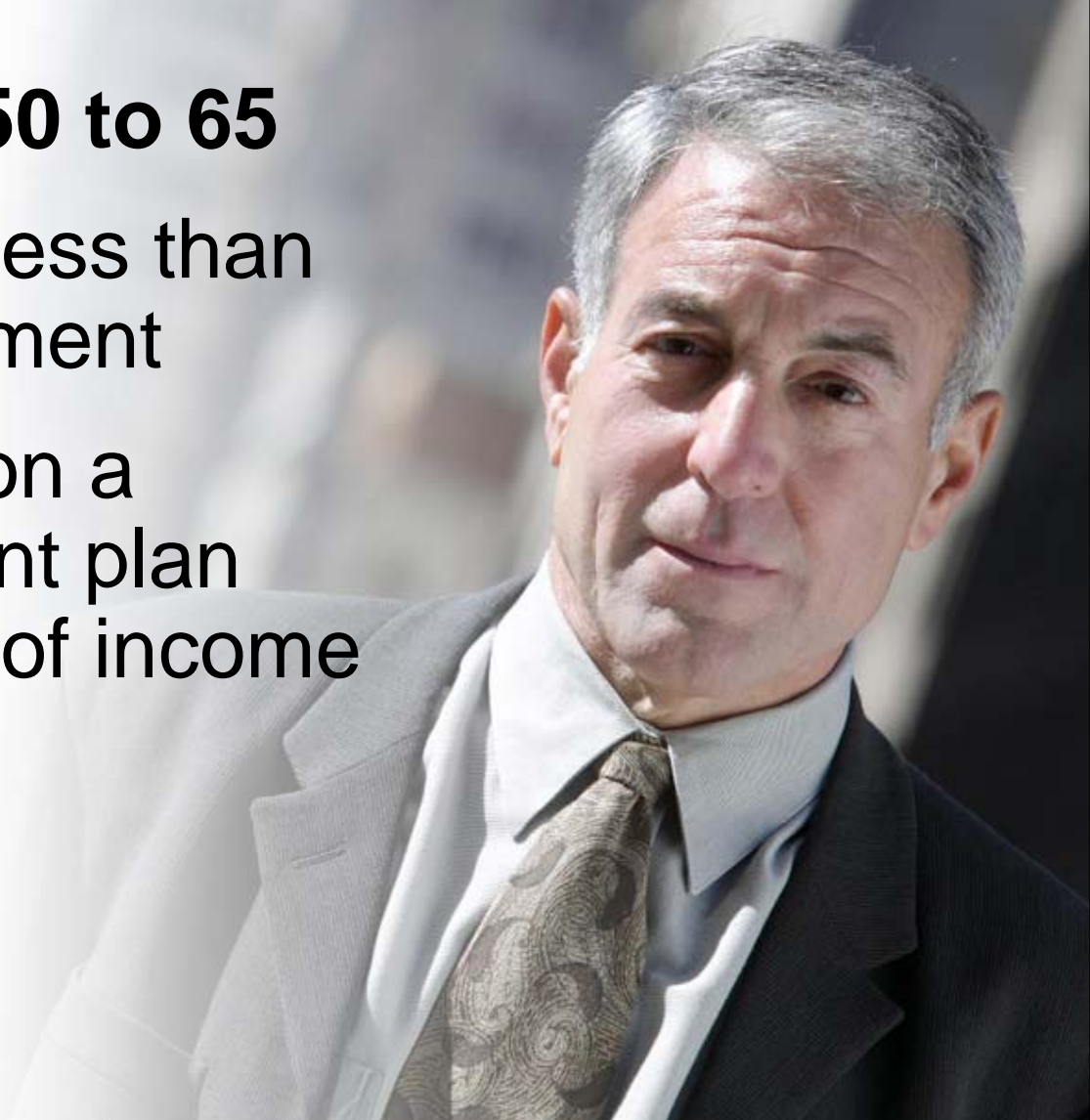
Key Steps to Financial Success



The U.S. Census Bureau

Americans ages 50 to 65

- 77% have saved less than \$37,000 for retirement
- 47% will depend on a personal retirement plan as largest source of income



The 5 Basic Questions

1. Where am I today?
2. Where would I like to be?
3. Can I get there?
4. How do I get there?
5. How can I stay on track?

Step One: Where Am I Today?

Assess Your Current Financial Situation

- Monthly income and expenses
- Potential sources of retirement income
- Debts and mortgages

Step Two: Where Would I Like to Be?

Establish Financial Goals

What does retirement look like?



Establish Financial Goals

- The average 65-year-old will spend almost 20 years in retirement
- A 65-year-old couple has a 50% chance that at least one spouse will live past age 90



Source: Milevsky, IFID: Society of Actuaries RP-2000 Table

Establish Financial Goals

Inflation Matters

- Historical inflation rate is 3%
- Goods and services can double in 25 years
- Inflation rate is personal



Goals Should Be SMART

Specific

Measurable

Achievable

Relevant

Time-framed



Step Three: Can I Get There?

Analyze the Information

You may have heard that you will need around 80% of your current income in retirement. But this is just a general estimate. Your income needs will depend on your lifestyle and circumstances.

Rebecca, 40 Years Old

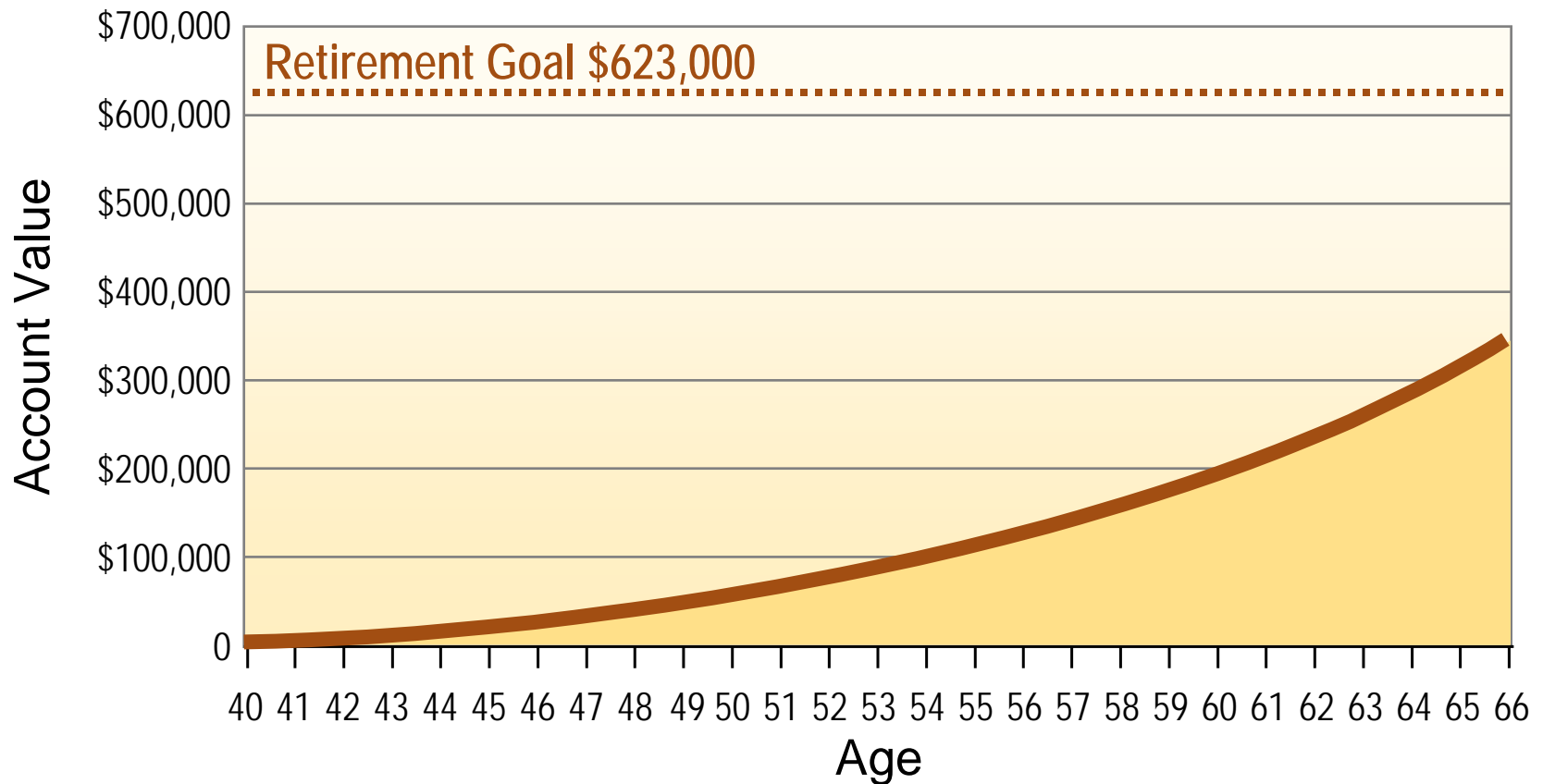
- Current retirement savings – \$0
- Retire at 65
- Willing to contribute maximum annual amount to traditional IRA until age 65

Assumes a hypothetical 7% rate of return for illustrative purposes only and does not reflect an actual rate or any investment currently available through Edward Jones.



Rebecca

Did Not Reach Goal



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Ben, 30 Years Old

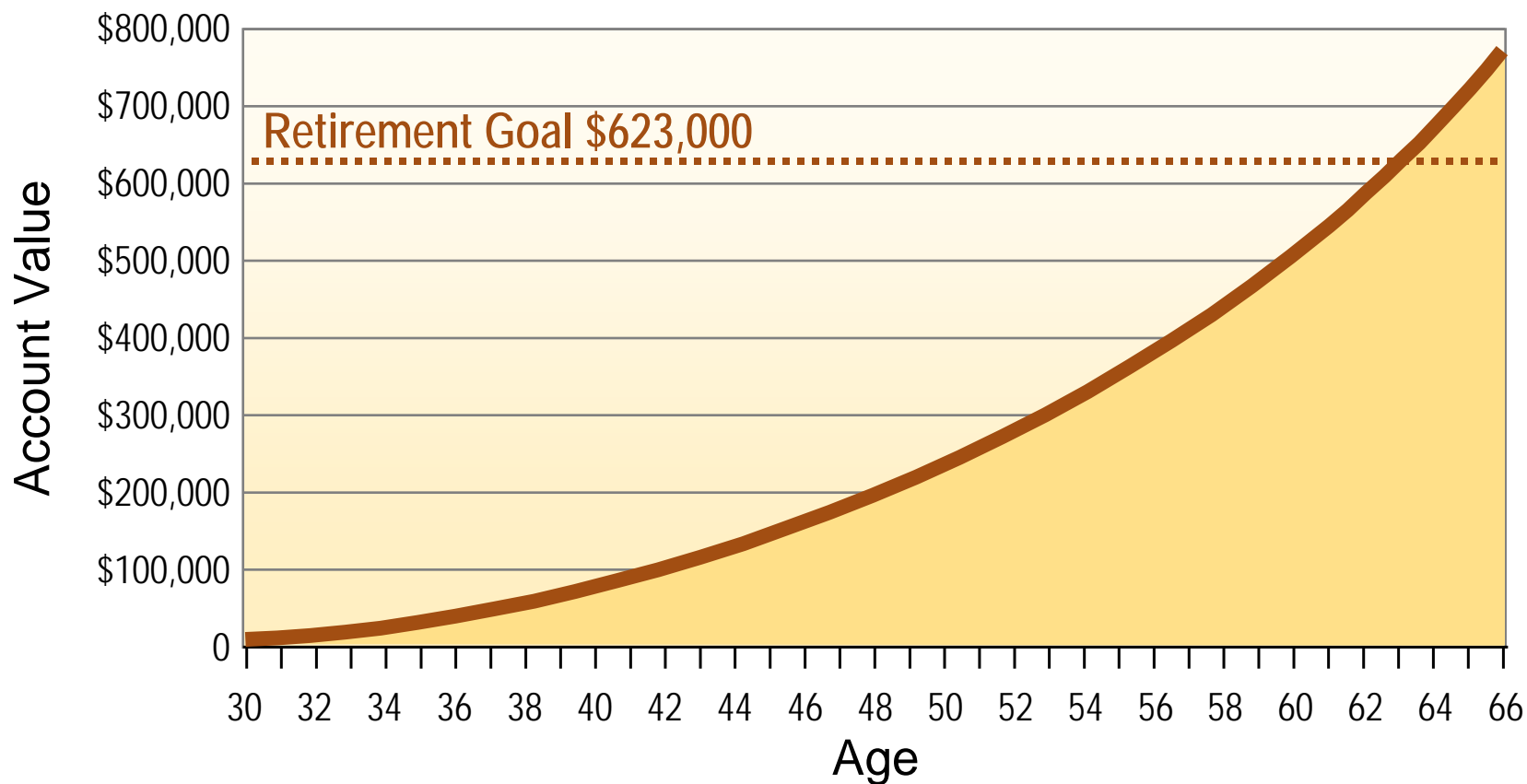
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Ben

Surpassed Goal – \$766,455



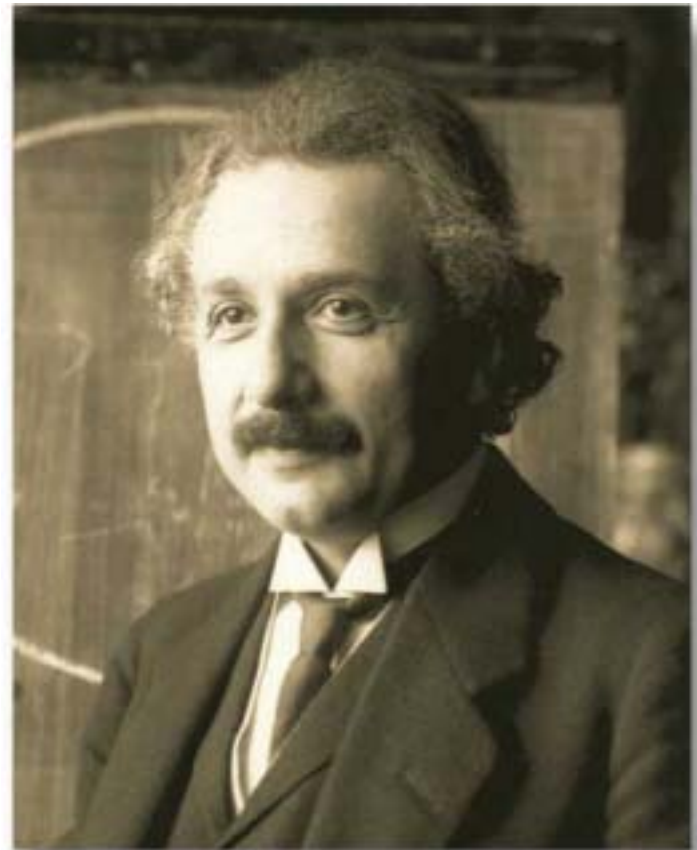
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Invest Early

- Ben met his goal by starting to save early
- Rebecca didn't meet her goal because she waited too long to begin saving

*“The most powerful force
in the **universe** is
compound interest.”*

Albert Einstein



Step Four: How Do I Get There?

Retirement Savings Accounts

- Traditional IRA
- Roth IRA
- 401(k), 403(b), 457(b)
- Roth option for 401(k) plans



Systematic Investing

Your contributions buy more shares of an investment when the price is low and fewer shares when the price is high, which makes you a “smart shopper”



Determining Asset Allocation

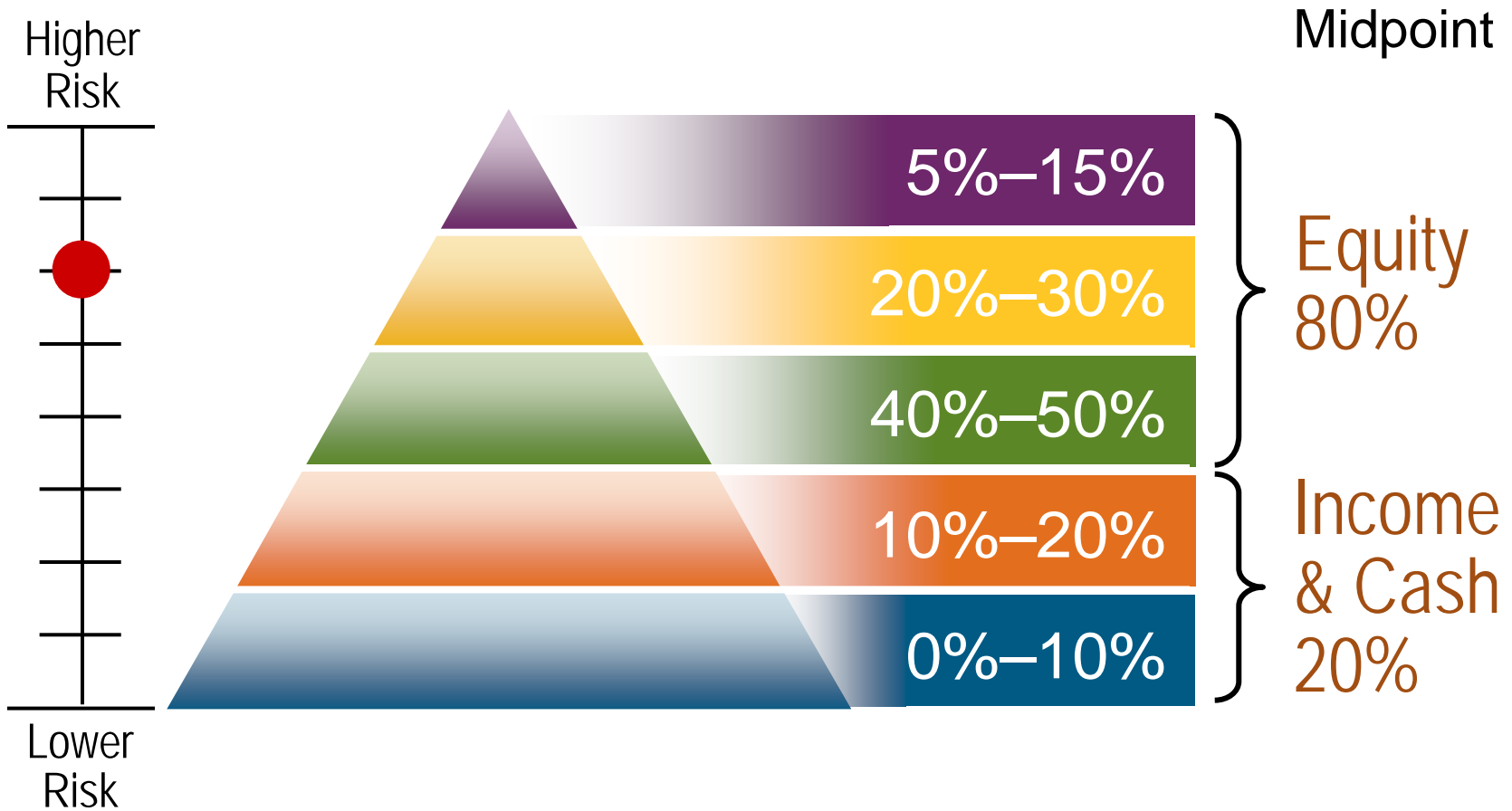
- Your risk tolerance
- Your current and future income needs
- Your savings
- Your investing time horizon (life stage)
- What you may want to leave for your loved ones after you die

The Investment Pyramid

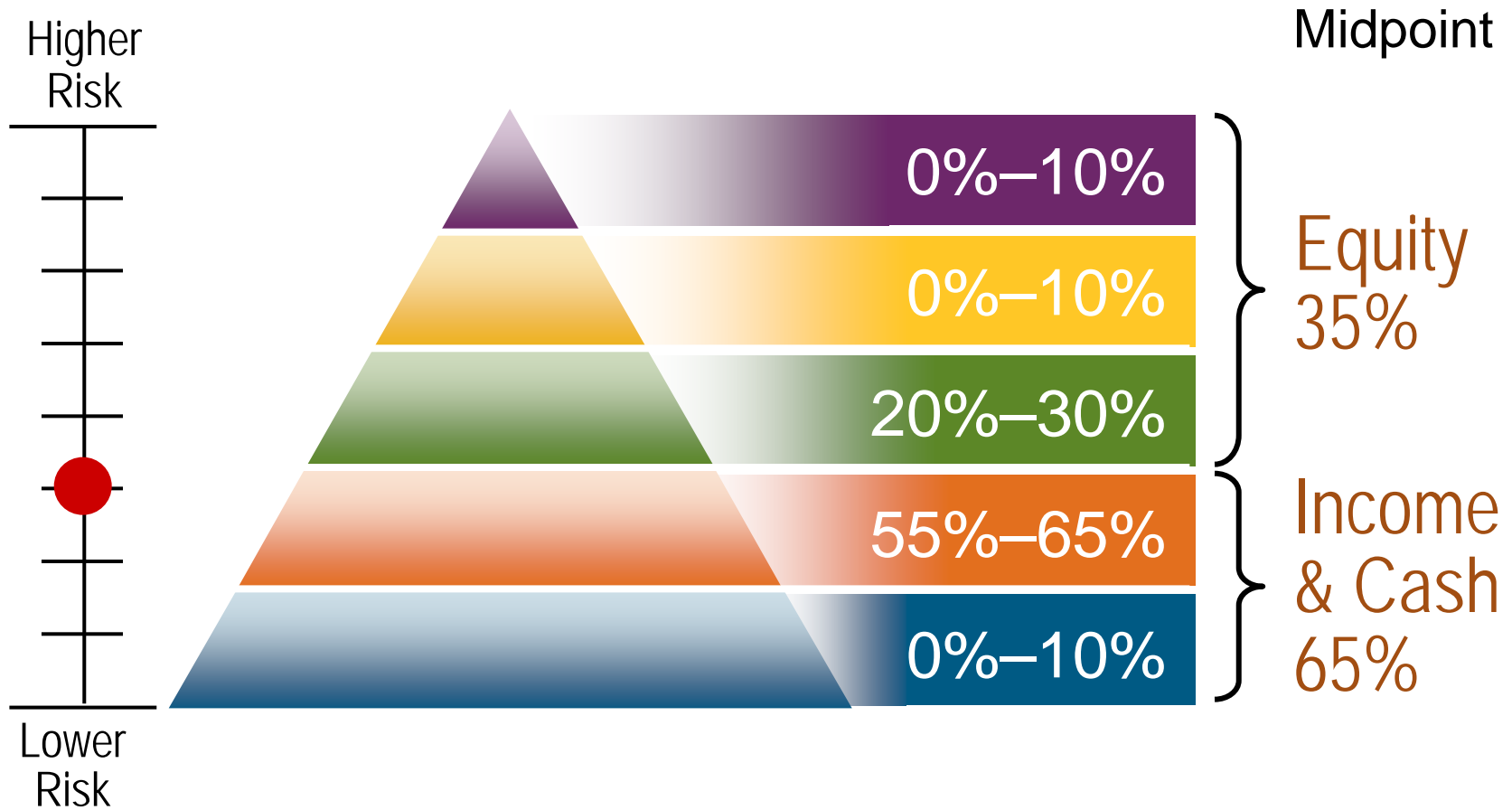


Source: Edward Jones

Growth Focus



Balanced toward Income



Diversify

International

International Recommendation Ranges	
Portfolio Objective	International Recommendation
All-Equity Focus	25% - 35%
Growth Focus	20% - 30%
Balanced toward Growth	15% - 25%
Balanced Growth & Income	13% - 23%
Balanced toward Income	8% - 18%
Income Focus	3% - 13%

Source: Edward Jones Investment Policy Committee

Special risks are inherent to international investing, including those related to political, social, economic and currency risks.

Step Five: How Can I Stay on Track?

Review Performance

- Change is inevitable
- Proper maintenance is the key



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Questions & Answers

Questions
& Answers
Questions

Thank You

Please Complete
Your Evaluation Now