



# RETIREMENT INCOME PLANNING

*at Janney Montgomery Scott*

W E A L T H   M A N A G E M E N T



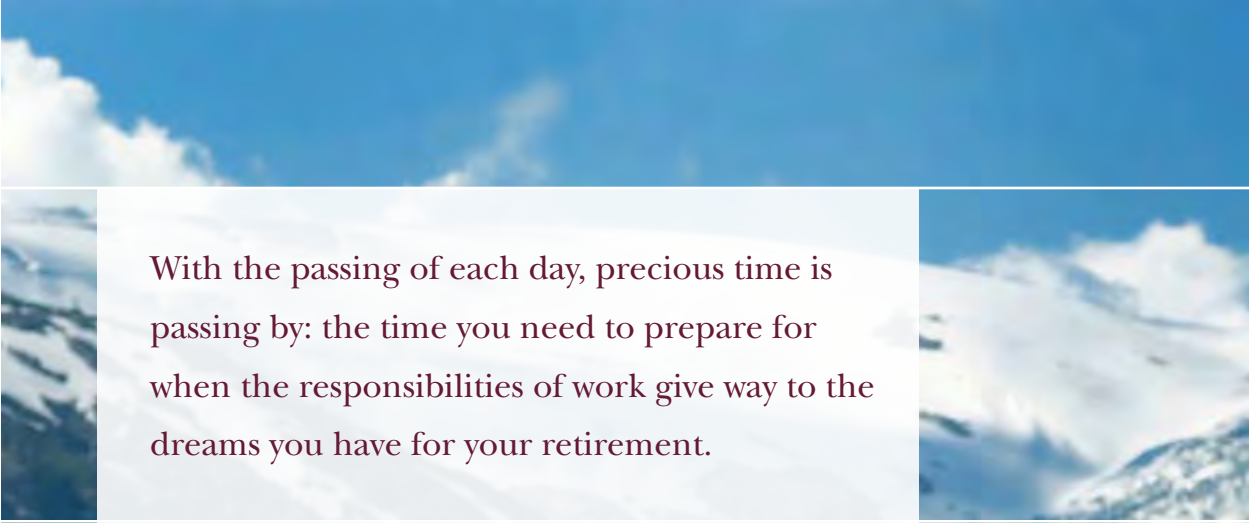
# TOMORROW BEGINS TODAY

Tomorrow comes sooner than anyone expects—and often before many people have the chance to prepare. In order to live in retirement—the way you *want* to live—you have to prepare for retirement. The sooner you begin, the greater opportunity you will have to accumulate the wealth you will need to live a long and comfortable life.

## RETIREMENT BEGINS TODAY

Your life is filled with responsibilities—work, family, perhaps helping elderly parents—as well as outside interests that take up nearly every moment of your precious time. However, with the passing of each day, even *more* precious time is passing by: the time you need to prepare for when the responsibilities of work give way to the dreams you have for your retirement.

You have ideas of what you would like to do. Places you hope to visit. Interests and hobbies you want to pursue. Grandchildren with whom you want to spend time—maybe even assist with their education. With proper planning, you can do more than dream about a comfortable retirement, you can live it. And Janney Montgomery Scott can help.



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## THE REALITIES OF TODAY—AND TOMORROW

The saying “change alone is eternal, perpetual and immortal” is aptly applied to economics and market trends. Every generation has its financial peaks and valleys:

- Crises: oil in the 1970s
- Booms: computers and biotech in the 1980s
- Bubbles: ‘dotcoms’ in the 1990s

Regardless of the page in the book of financial history to which you turn, you will find that downturns become upswings—but we have no way to accurately estimate when either will happen or their duration. And that unpredictability is what makes proper planning today so crucial to your future.

No one knows what the economic picture will look like in five, ten or twenty years. But while we can’t predict, we *can* prepare. Now is the time to examine your finances and ask yourself, “Will I be prepared?” When you work with Janney, the answer will be, “Yes.”

## STRATEGIES FOR CREATING AND PRESERVING RETIREMENT INCOME

Our process has many steps, but its foundation is simple:

- A strong **relationship** between us, built on mutual understanding and agreement
- A **comprehensive approach** that uses in-depth analysis of every aspect of your finances to develop a retirement strategy for life
- An **implementation strategy** to ensure that you have a plan that considers your needs for today as it prepares you for tomorrow
- **Ongoing plan monitoring and review** that allows us both to make adjustments, as necessary, so that your plan continues to meet your needs long into retirement

### Understanding you—and your needs

Only you know what is important to you—your short-term needs and long-term goals. That is why the first step of our process is, perhaps, the most crucial: helping you to understand yourself. With that information in hand, *we* can then begin to understand you and apply our years of experience, professional expertise and resources to developing an appropriate strategy.

And this level of understanding is vital. Many individuals are surprised at the amount of money it takes to retire and maintain the same standard of living. The reality is that, for those in the “Boomer” era, it is estimated that approximately 70% of pre-retirement income is needed to achieve this goal—in fact, that number may be as high as 80%.<sup>1</sup>

Janney uses one-on-one interviews, questionnaires and educational resources to gather an ‘inventory’ of your finances, both the facts and the figures. It is as important for us to know your time horizon—when do you intend to retire—and your tolerance for risk as it is to have a full picture of your assets, liabilities, sources of income and other pertinent information.

### **Setting goals and expectations**

Retirement planning works in two directions: forwards and backwards. First, we ask you to target a date in the future when you hope to retire. With that date in mind, we work backwards to set reasonable expectations, based on your financial profile, for not just reaching that target but living comfortably beyond it. Then we begin to develop a strategy that includes the breadth of Janney’s products and services:

- 401(k)s
- IRAs
- Trusts
- Annuities
- Insurance
- And more

### **Planning for the expected—and unexpected**

It is a fact that people are living longer. As of a national 2005 study, the average life expectancy in the United States is 77.8 years, with the age-adjusted death rate dipping to an historic low.<sup>2</sup> The correlation between age and retirement is thus apparent: the longer you live, the more money you will need.

In addition to helping you establish a savings strategy to prepare for retirement, Janney can also assist you in *living* in retirement by providing budgeting advice—advice which is as relevant today as it is tomorrow. By analyzing your expenses, from mortgages and insurance, to food and transportation, to such discretionary expenses as vacations and entertainment, we can help you:

- Identify current expenses which can be reduced
- Maximize your savings towards retirement
- Estimate your spending needs for retirement

While a budget can help you prepare for the expected, what if the unexpected happens? While Janney can potentially help you preserve your fiscal health, what happens when your physical health is threatened? With longer life expectations comes the risk of facing increasing medical costs to maintain your healthy lifestyle.

According to a recent study, the estimated healthcare costs for a couple, age 65, retiring in 2008, will be approximately \$225,000—an increase of 4.7% over 2007.<sup>3</sup> With increases of that magnitude and considering that those costs are only going to continue to rise—perhaps by even more over time—imagine what healthcare might cost you when you retire. Janney can help you prepare with advice on insurance and long-term care, and provide you with the coverage you need to protect both you and your loved ones.

### **Making a plan for the future—and making it work**

Once we have considered all of your needs and goals—with a touch of hopes and dreams—we can coordinate and implement your retirement plan. As a component of that coordination, Janney suggests that we work closely with your existing network of other professionals (or make recommendations, should you need them) who can assist with putting your plan in motion.

Once your plan begins working for you, Janney’s job has just begun. Just as your life changes, so do the markets. It is essential that we continuously monitor your plan to ensure that you remain fixed on achieving retirement date—and goals. We regularly review your own financial picture—both personal and professional—to ensure that any changes are incorporated into your plan, as well as to make recommendations on adjusting dates, budgets, etc. depending upon your circumstances.

## **HELPING YOU LIVE THE LIFE YOU WANT —FOR AS LONG AS YOU LIVE**

Retirement isn’t an ending—it’s only the beginning. Let Janney Montgomery Scott help you make the most out of all your years to come. Our advice, insight and guidance, along with our experience and expertise, can make the difference between retiring and retiring well. Nothing can stop tomorrow from coming—and why would you want to when there is so much living to do?

## **START PREPARING WITH JANNEY TODAY —AND START ENJOYING YOUR RETIREMENT WHEN TOMORROW COMES.**

1. AARP, *Managing Money in Retirement*, <http://www.AARP.org>.

2. *Deaths: Final Data for 2005*. National Vital Statistics Reports, Volume 56, Number 10. Hsiang-Ching Kung, Ph.D.; Donna L. Hoyert, Ph.D., et. al. Vital Statistics Cooperative Program of the Centers for Disease Control and Prevention’s National Center for Health Statistics (NCHS).

3. “Fidelity: Couple Needs \$225,000 for Retirement Health Care,” *USA Today*, March 2008, [http://www.usatoday.com/money/perfi/retirement/2008-03-05-retirement-health-care\\_N.htm](http://www.usatoday.com/money/perfi/retirement/2008-03-05-retirement-health-care_N.htm)



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**Mission Statement:**

At Janney, we build enduring client relationships based upon integrity, experience and trust by providing objective advice and superior service that lead our clients to the achievement of their financial goals.

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