

Picture your
RETIREMENT



WHAT DOES “RETIREMENT” MEAN TO YOU?



SPEND MORE TIME
WITH FAMILY



LEARN
SOMETHING NEW



CREATE A
BACKYARD RETREAT

THINGS I WANT TO DO ...

People today are reinventing what it means to retire.

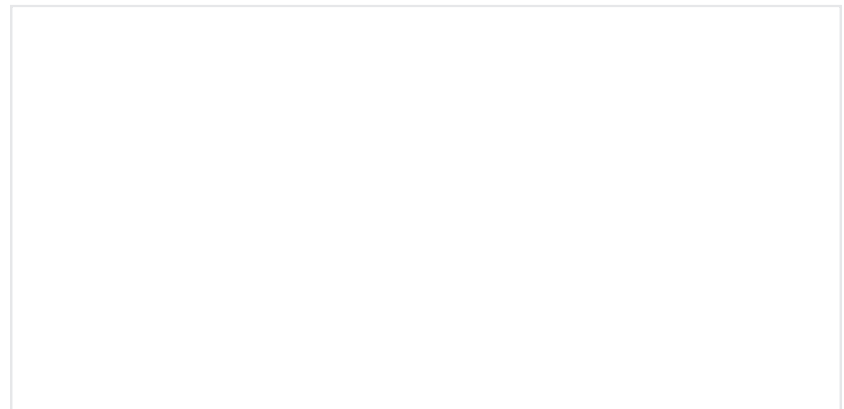
It's more than leaving a career. It's building the framework for the rest of your life—potentially filled with all kinds of rewarding options ... like giving back to the community, enjoying time with family, satisfying travel dreams, starting that business and more.

In fact, many people who reach retirement age aren't so much ready for retirement as they are ready for *change*. Maybe it's rebalancing the way you spend your time, renewing your purpose or just recharging your batteries with an old or new interest.

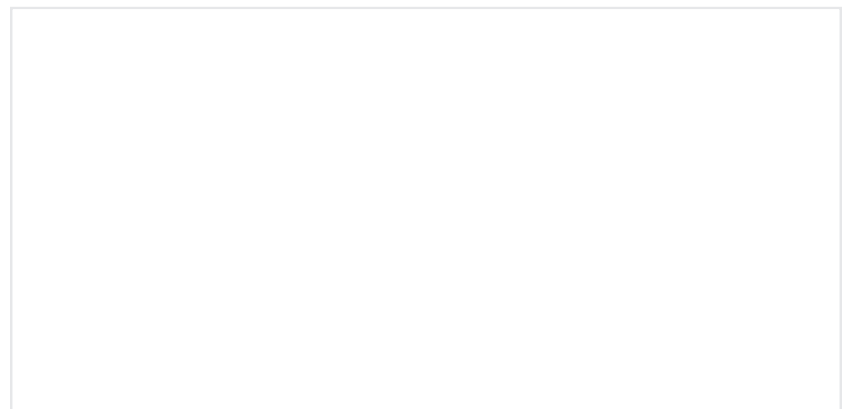
Whatever it means to you—and regardless of how much the face of retirement is changing—one thing remains constant: the need for financial security. That's the peace of mind that comes from taking action today to provide for tomorrow.



WHAT RETIREMENT MEANS TO ME ...



WHAT FINANCIAL SECURITY MEANS TO ME ...



WHAT DOES YOUR FUTURE HOLD?

Planning for retirement is a lifelong process. It includes setting goals, accumulating resources, addressing risks, implementing lifetime income strategies and revisiting your plan as needed. It's a process that should be disciplined, but personalized and flexible to adapt to changes over time.



Design Your Retirement Lifestyle

The first step in knowing what you'll need to have in retirement is rediscovering what you want to do.

GIVE BACK
Forty-five percent of retirees age 55 to 64 engage in formal volunteer activities.¹



START A BUSINESS
Near retirees (aged 55-64) represent 23 percent of new entrepreneurs in America.²



WHAT EXCITES ME MOST ABOUT MY RETIREMENT PLANS ...

WHERE I WANT TO LIVE ...

WHAT CONCERNS ME MOST ABOUT PLANNING FOR MY RETIREMENT INCOME NEEDS ...

ACTIVITIES I'D LIKE TO PURSUE, THINGS I'D LIKE TO LEARN AND PLACES I'D LIKE TO VISIT ...

Test-Drive Your Retirement Before You Retire

Before you retire, it's important to do some of the things you plan on doing in retirement—try out your plans, determine whether you truly enjoy and can afford them, and make any needed adjustments before you commit. Take a moment to list what you plan to do most in retirement and how often, then write down steps you plan to take to “practice” it prior to retirement (e.g., Live in Arizona—will take three trips there in the next 18 months; Golf a lot—will golf every day for one week straight).

ACTIVITIES I'D LIKE TO PRACTICE ...

¹Source: The Urban Institute, “Will Boomer Retirees Form a New Army of Volunteers?” December 2007.

²Source: Index of Entrepreneurial Activity, Released by the Kauffman Foundation.

WHAT ARE THE RISKS TO PURSUING YOUR GOALS?

Another critical step in knowing what you'll need to have in retirement is reevaluating the risks that can challenge financial security during this time.

Longevity. The fact that people are living longer, healthier lives has a downside: the chance of running out of money to live the way you want.

Legacy. Like many retirees, you might have a goal to leave a financial legacy for your loved ones and/or charities. Fulfilling that goal often requires tradeoffs—striking a balance between meeting your retirement needs and satisfying your legacy desires.

Market. Participating in the stock market can give your retirement savings and income the potential to keep pace with inflation. If history has taught us anything, however, it is that markets can go down as well as up.

Inflation and Taxes. Both taxes and inflation can take a bite out of retirement savings—inflation by reducing the purchasing power of what you have, and taxes by reducing income and leaving less money to spend or invest.

Health Care. Longer life spans, rapidly rising medical costs, fewer employer-sponsored retiree health plans and limited government health benefits make health care a significant concern for retirees. It's important to obtain adequate health insurance if possible, to supplement Medicare, and to have sufficient resources to pay for health insurance premiums, copays, deductibles and other health-related costs not covered by insurance.

Long-Term Care. The expenses associated with a prolonged illness that requires special care can take a toll on a financial security plan and deplete assets you've worked hard to save. It can also cause emotional and financial strain on family members.

RISKS I AM CONCERNED ABOUT IN RETIREMENT, AND WHY ...

- Longevity _____
- Legacy _____
- Market _____
- Inflation and Taxes _____
- Health Care _____
- Long-Term Care _____
- Other _____

MY THOUGHTS REGARDING LEAVING ASSETS TO HEIRS OR CHARITIES ...

WHAT I WOULD DO IN THE CASE OF A PROLONGED ILLNESS (MINE OR THAT OF A LOVED ONE) ...

INVESTMENT STRATEGIES FOR RETIREMENT
Dollar-Cost Averaging
Tried-and-true investment strategies while accumulating assets (like dollar-cost averaging) can work against a retiree taking systematic withdrawals from an equity portfolio.

HEALTH TODAY
Population Now Living Longer
 Most people underestimate their life expectancy (and risk of running out of money). For example, there is a 25% chance that a 65-year-old man will live to age 92, and that a 65-year-old woman will live to age 94.¹
¹ Based on 2000 Annuity Mortality Tables, Society of Actuaries.

Inflation and your Retirement Plan
 Most people underestimate what inflation can do to their retirement plans. After 15 years of 4% inflation, the purchasing power of \$100,000 would be reduced to \$56,000.

Years	Purchasing Power (thousands)
0	100
5	82
10	68
15	56

INVESTMENT considerations
 TIME WORKS IN FAVOR of patient investors when they're accumulating funds. But the portfolio of a person entering or living in retirement is less able to tolerate market declines.

LONG-TERM CARE CONSIDERATIONS 
40% of people currently receiving long-term care are adults 18 to 64 years old.
Source: National Clearinghouse for Long-Term Care Information, U.S. Department of Health and Human Services. www.longtermcare.gov

to do . . .

UPDATE BENEFICIARIES

- Will/Trust
- IRA
- 401(k)
- Life insurance

OTHER UPDATES

- Durable power of attorney for finances
- Durable power of attorney for health care
- Living will
- _____
- _____

WHAT RESOURCES WILL FUND YOUR RETIREMENT?

Retirement income can come from many places

It's important to review all the resources you have available—and consider how timing your choices when accessing resources like Social Security can maximize their value.

In addition, spending retirement assets can be even more complex than building them, and that's where expert guidance can help—with actions like reallocating your portfolio, choosing appropriate strategies for meeting your retirement income needs, and determining which assets to use and when.

INCOME AND ASSETS THAT MIGHT BE AVAILABLE TO SUPPORT MY RETIREMENT NEEDS ...

- 401(k)/403(b) \$ _____
- IRA/Roth IRA \$ _____
- Savings \$ _____
- Sale of Business \$ _____
- Investment Property \$ _____
- Part-time Employment \$ _____
- Stocks or Securities \$ _____
- Social Security \$ _____
- Pension \$ _____
- Cash Value Life Insurance \$ _____
- Annuity \$ _____

OTHER POSSIBLE SOURCES OF INCOME DURING MY RETIREMENT ...

- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____



Think about expenses

Use the squares below to start thinking about essential and discretionary spending in retirement, and compare how today's costs might differ from projected retirement costs. While it's by no means comprehensive, it should help give you an idea of the monthly income stream you'll want to have in retirement.

TODAY'S COSTS

LIKELY RETIREMENT COSTS

ESSENTIAL

Housing _____

Housing _____

Utilities _____

Utilities _____

Transportation _____

Transportation _____

Insurance _____

Insurance _____

Food _____

Food _____

Health Care _____

Health Care _____

Taxes _____

Taxes _____

Other _____

Other _____

SUBTOTAL _____

SUBTOTAL _____

DISCRETIONARY

Entertainment _____

Entertainment _____

Travel _____

Travel _____

Donations _____

Donations _____

Gifts _____

Gifts _____

Other _____

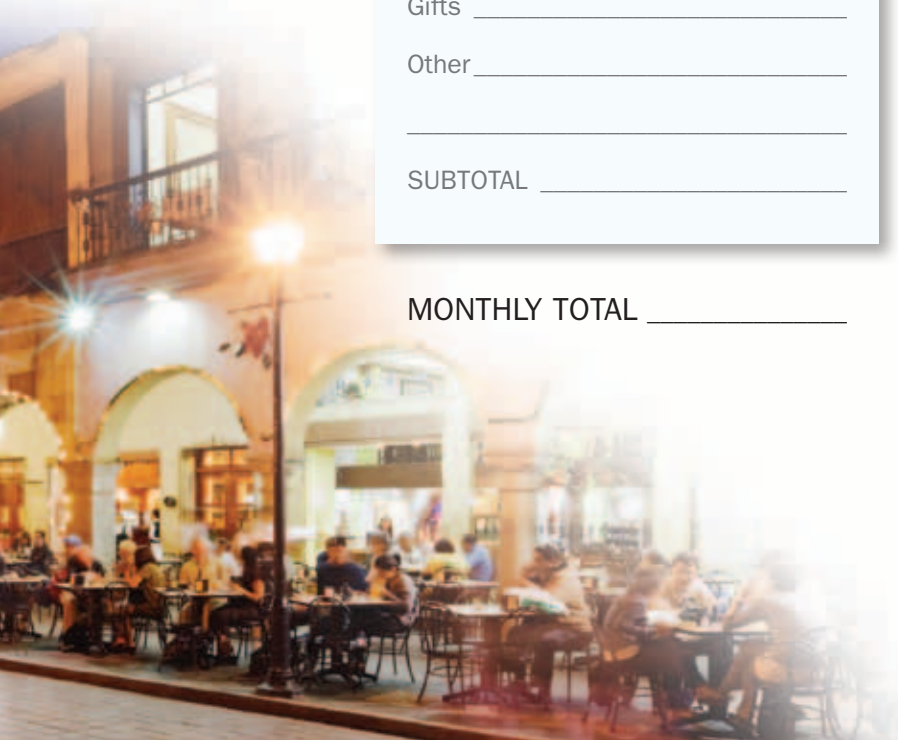
Other _____

SUBTOTAL _____

SUBTOTAL _____

MONTHLY TOTAL _____

MONTHLY TOTAL _____



WHAT WILL SUCCESS IN RETIREMENT LOOK LIKE?



FIND
TIME



FIND
BALANCE



FIND
FULFILLMENT

Success in retirement is yours to redefine.

It doesn't have to be the same thing for all people. In fact, it shouldn't be.

Like every other stage of life, retirement involves transition—much of it exciting and some of it challenging. There's a lot to think about—your goals, the risks common to most retirees and those unique to you, available resources and the timing of accessing your resources.

But there is help. Talk to your Northwestern Mutual financial representative and take the next step.

MY NEXT STEPS ...

MY PRIORITIES ...

QUESTIONS I HAVE ...

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