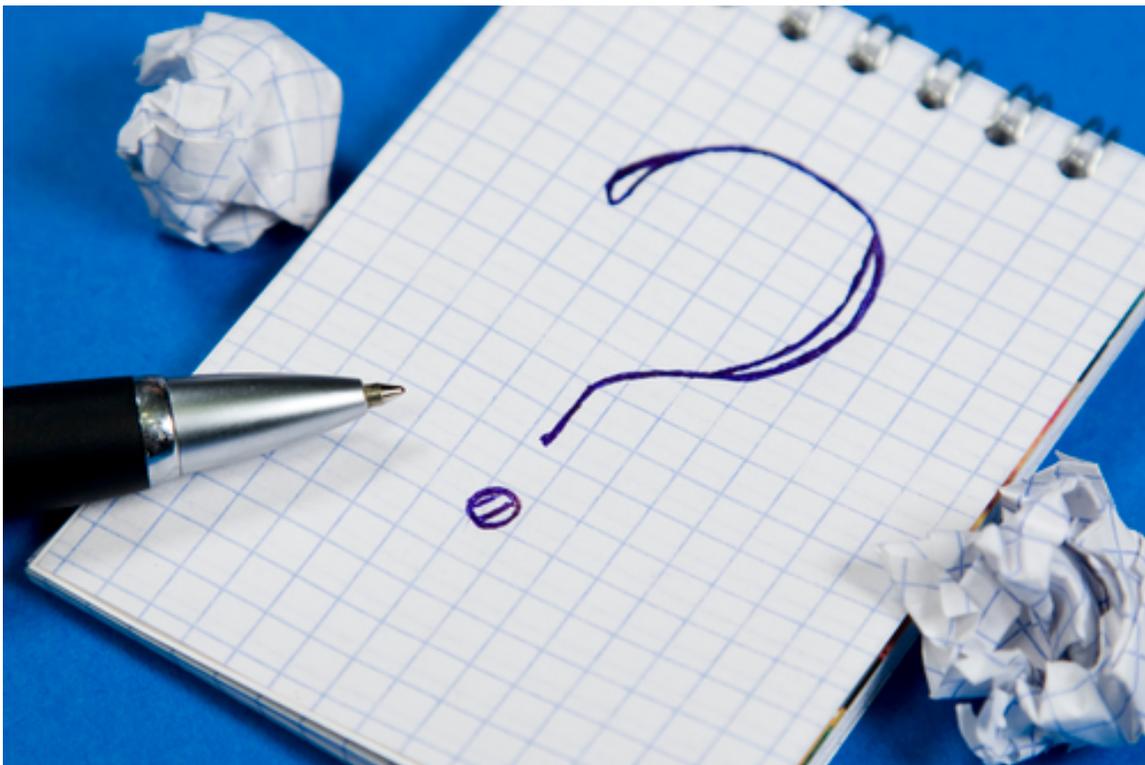


MILLER,  
**ON THE MONEY**

**FREE SPECIAL REPORT:**

***A 7-Step Questionnaire –  
Am I A Candidate  
For An Annuity?***



*"Dennis has a common sense approach to what is usually cloudy and complex subject matter. He quickly gets to the core of the issue and hits the nail square on the head."*

– Bob D.

## ***A 7-step questionnaire – Am I a candidate for an annuity?***

Just thinking about retirement is stressful for many people. When it comes to leaving the full time job, retirement stress ranks #10 on the [Social Readjustment Rating Scale](#). Combining retirement with other stressful events (like #16, “Change in Financial State”) can result in some sleepless nights.

Enjoying retirement is defined as retiring with a comfortable lifestyle, ***without having to constantly worry about money.***

Are you a candidate for an annuity? Maybe – or maybe not! Baby boomers and retirees are constantly bombarded with sales promotions. AARP, financial planners, AAA, brokerage houses and others are selling annuities. Annuities are not for everyone.

It’s easy to understand why many are reluctant to inquire about annuities. They fear being pressured into an irreversible decision, buying something they don’t understand, and possibly making a mistake. For many, writing a check for a single premium annuity is very stressful – it may be one of the largest checks they write in their entire life.

***If all you have is a hammer,  
everything looks like a nail!***

Many have been credited for the above quote, including Mark Twain and Abraham Maslow. I prefer to use the [Wiktionary](#) approach, calling it a proverb:

1. With limited tools, single-minded people apply them inappropriately or indiscriminately
2. If a person is familiar with a certain, single subject, or has with them a certain, single instrument, they may have a confirmation bias to believe that it is the answer to/involvement in everything.

***No one wants a single-minded, high-pressure sales pitch from a salesperson desperate to earn a commission.***

Your needs, and various types of annuities should be investigated and understood before you buy. You need unbiased educational resources, not highly motivated salespeople with a hammer in their hand.

***No pressure here***

I am not licensed or qualified to give individual, personal investment advice – nor am I licensed or qualified to sell any type insurance products.

***The purpose of this report is EDUCATION without any sales pitch or stress. At the end there will be no number to call or series of emails offering a quote.***

## ***The retirement financial challenges***

Since I retired over a decade ago I've done significant research and observed many friends make the retirement transition, some more successfully than others.

My retired friends generally fall into two groups. Those with guaranteed pensions and those who took a lump sum payout of a 401 (k) or IRA type savings program. The latter may be do-it-yourself investors and/or working with a financial advisor.

While both groups may have plenty of money, the first group enjoys the huge emotional benefit of ***“income certainty”***. They don't fret about money coming in.

Without exception, those in the second group confess they have felt the “knot in their stomach” when they realized they are responsible for making sure their life savings lasts for the duration.

In 2008, the government bailed out the banks and the world experienced record low interest rates. Many in the second group invested the major portion of their retirement nest egg in 6-7%, solid, safe fixed-income investments like bonds or Certificates of Deposit. That not only provided dependable, much needed income, but also the emotional “income certainty”.

Unfortunately, good yielding, safe fixed income investments no longer exist. To find commensurate yields investors must put their money at risk; their “income certainty” disappeared.

Social Security may help, however for most, their monthly benefit keeps them barely above the [Federal Poverty Level](#). They planned on income from their life savings to make up the difference and provide a comfortable lifestyle – without constant worry!

Meanwhile those with pensions (particularly government retirees) are happily enjoying their retirement. I'm surprised how many pensioners finance purchases or have mortgages because their “income certainty” gives them confidence they can easily make the payments.

It's “income certainty” that eliminates a lot of stress and worry.

## ***OK, time for the Quiz***

Set aside some time, in a comfortable environment and review the following issues. You may need to do some homework and gather information to answer some of the questions. That's OK and to be expected. You don't want to make a mistake and buy an annuity when you don't need one – or reject the idea when a properly structured annuity could make your golden years a lot more comfortable.

Please spend a good deal of time on #1 before you proceed with the rest of the list.

**1. How much retirement income do I need?** How do you make that determination? The Employee Benefit Research Institute (EBRI) issues an annual Retirement Confidence Survey. I was amazed to read, “48% have not tried to run an estimate of how much they need to have for retirement. ... 39% guess, as opposed to running the numbers with an advisor or online tool.”

Put the rose colored glasses aside and think clearly.

***Don't ignore the issue!***  
***Don't guess at the numbers!***  
***Don't even think about guessing!***  
***Ever!***

Being financially set for life in retirement is a serious issue; it's much easier if it's done right the first time. Take your time and run the numbers – ***and double check them while you are at it.***

Here are some questions you must address:

- How much income do you anticipate earning each year for the next five years?
- What are your anticipated expenses for each year?
- Will you have money left over?
- Do you have to significantly tap into your principal to make up the gap?
- How many years can you tap into the principal before you really have to worry?

If you are not a good record keeper, it's time to learn how. With computers, it is a lot easier. My wife and I use [Quicken](#). Most people don't need the fancy edition. It takes a couple hours to enter all your income, checks and credit card charges for a year. We do it quarterly and it's pretty easy.

The first step in getting your finances together is knowing where your money goes. Compare your estimated retirement income to your estimated expenses and determine if you have a surplus or shortfall.

Project into the future. How much retirement income can you reasonably count on? What expenses do you anticipate? How will retirement change both income and expenses?

It's a dose of economic reality. The results might make you feel very comfortable; you have plenty – or serve as a wake up call to make some changes. Sooner or later you will have to come to grips with reality; better to do it sooner, adjustments are much easier. Ignoring reality does not solve a thing.

It's easy to imagine a flat-broke surviving spouse standing by a grave crying, "I told you not to guess!"

If you have a CPA or work with a financial planner, ask them to help. That is what you pay them for!

***Your money has to last a long time.*** The Social Security Administration offers a [Life Expectancy Calculator](#). They tell us:

- A man reaching age 65 today can expect to live, on average, until age 84.3.
- A woman turning age 65 today can expect to live, on average, until age 86.6.

My mother died at 78 – her twin sister lived to be 100. They lived, *on average* to age 89. The financial needs for my aunt, who outlived her sister by 22 years, and the average life expectancy by 13 years, were much higher. Averages are just that – averages; how long are you going to live?

While tomorrow is promised to no one; many people live until well past 100. CBS News reported, ["More Americans are living past their 100th birthdays"](#):

“A new CDC report, which tracked mortality among 100-somethings starting in 2000, shows that while centenarians are still uncommon, the number of Americans above the age of 100 has increased more than 43 percent, from ...a decade and a half ago.”

The number is expected to continue to grow. [CNN](#) tells us, “...one-third of babies born in the UK in 2013 are expected to live to 100...In the United States, the population has seen similar trends.”

Running the numbers may not be your cup of tea; it's OK to use someone to help. You are never too old to learn. Take your time, enjoy the process and get control of your life, you will never regret it. Remember, no guessing!

If you don't anticipate having to tap into your principal to pay your retirement bills, you are well ahead of most. Good job! You saved and kept your expenses under control.

When it comes to annuities, your age is a factor in determining your monthly annuity payout. You may discover you can handle things until your spouse retires and then it is time to investigate annuities. By waiting a few years you will have a larger monthly check when the time comes.

***2. Do you worry each month as you pay your bills and have to tap into your savings? Is this affecting how you live your life?***

A friend checked off an item on his bucket list and took his entire family on a cruise when he retired. When he returned, in whisper like tones, he confided that he didn't enjoy it. He spent the entire vacation worrying about how much everything cost.

What expenses are under your control? Some friends downsized even though their financial advisor told them it was not necessary. They called it a "preemptive strike" – better safe than sorry! If that is what it takes to reduce stress and worry, it's probably a good thing.

Know thyself! Constant worry will eventually affect your physical health. Why be miserable?

A properly structured annuity is one way to reduce worry; however, there are other ways to address the subject also.

Are your financial worries on the income or expense side of the ledger?

Are you worried about the stock market, and "income certainty" – things you may be unable to control?

***3. Is your spouse financially savvy – or perhaps easy prey?*** I had an eye-opening experience the night my wife Jo and I celebrated reaching our retirement savings goal. I was proud – I had done my job.

She corrected me, "***You've done half your job!*** We now have the money we projected. It has to last us ***both*** for the rest of our life. I don't want to be an uneducated widow with financial predators knocking at my door." Of course she was right.

It was time for her to learn how to protect the nest egg. In retrospect, educating the non-financially savvy partner should have started long before we hit our target. Today she is much more competent and confident in her abilities – and so am I.

Over the last several years we have seen cases where the first spouse died and the survivor turns over money management to predatory children, a sleazy advisor or the worst of all; a hasty remarriage to a financial predator. Without exception, in a short time the surviving spouse became unhappy and afraid.

While it's best for both spouses to be educated and comfortable with financial matters, sometimes it's not possible.

A properly structured annuity does not solve the cause of the problem, however it can help reduce the worry about both spouses running out of money.

**4. Do you worry about the volatility of the stock market?** If you are continually checking your brokerage balance or fretting the constant market volatility, an annuity is one way to help reduce this stress.

When I retired, I followed the old guidelines and invested 70% of my nest egg in good yielding Certificates of Deposit. I didn't worry about the stock market and checked my brokerage statements each month when they came in the mail.

Things changed when the banks were bailed out and they called in my CD's. I had to put much more money at risk in the stock market. Now I check my brokerage accounts weekly. Like many investors, I'm concerned about a stock market correction. I don't want to lose principal, dividend income or be forced to sell assets when the price is down in order to pay the bills.

If these worries become constant and cause stress, a properly tailored annuity can help provide some safe "income certainty". Annuities are not investments, but rather a transfer of risk. In essence, you are buying stress reduction.

**5. Are you comfortable and confident working with a professional money manager investing your life savings?** Working with a qualified professional can improve your investment performance and reduce market risk. They offer no guarantee you will generate enough income to make up any shortfall you have in paying your bills.

In today's world, many financial planners may be licensed and qualified to sell annuities. Finding a good one you TRUST is vitally important.

A good money manager should be suggesting the proper type of annuity if it is in *your* best interest.

**6. Are you comfortable with your own investment skills and temperament to continue to provide income to pay your bills?** How well have you invested in the past? Are you comfortable dealing in the market today with no solid, safe fixed income investments? Does taking losses frighten you? Are you able to keep your emotions in check?

This ties into question #4. While you may have concerns about market volatility; are you comfortable with your skills to make the necessary adjustments? Do you set stop losses? Are they current? Are you well diversified? Can you easily trade online?

Many online or discount brokers have no stockbrokers in the traditional sense; they do not offer advice on particular stocks. There are plenty of do-it-yourself investors who are savvier than the typical customer service agent they deal with.

If you are comfortable, you are probably fine for the moment. I suggest you continue reading. Part of planning for the future is having a course of action should things like health issues come into play.

**7. How important is it to leave money to the next generation?** The “die broke” mentality says the last check should be to the undertaker and it should bounce. That is a cute saying, but no one knows when his or her day will come.

If you want to leave money to the next generation, talk to a qualified professional. You may be better off buying a life insurance policy and then worrying about how you will make the remainder of your assets work for you.

## **Summary**

After reviewing The EBRI annual Retirement Confidence Surveys, I’ve concluded some worry and concern is normal and should be expected. If your stress level is significant and you cringe each time you tap into the principle, you probably have cause for concern.

Yes, the insurance company will make a profit when you buy an annuity. Even so, there are times transferring risk and reducing stress is a wise decision.

The 7-step questionnaire is a good starting point to bring things into perspective. You may be doing just fine and have no need for an annuity – or – you may want to do further investigation. In either case, taking the time to answer the questions, and thinking things through has accomplished the goal.

## **Need more information?**

Why did I write this FREE report? Two reasons actually. For most, I hope you find my advice easily understandable and continue to read my [FREE weekly publication](#), “Miller On The Money”. I’m building up my reader base so I can attract advertisers and keep the site FREE.

Second, most of the available information about annuities is written by those who sell them. Their goal is to generate leads and sell a policy. If you feel you need more information, and are not ready for the stress of dealing with an agent – I recommend you review our [Miller On The Money Annuity Guide](#).

Unfortunately, “one annuity type is as good as another” **is not true**. Neither is “one insurance company is as good as another”. You are better off with no annuity than buying one that is not structured properly to meet your needs.

The Annuity Guide is 40+ pages and comprehensive – designed to EDUCATE consumers. Understanding your needs and building the right type of annuity for you can become a challenge. Get it right and do it right!

Many readers were kind enough to offer feedback. Here are a few examples:

**From Alex D.:**

*“Dennis has managed to demystify one of the most arcane financial products. Read his guide and it will be crystal clear if an annuity is right for you, and how to buy one without getting ripped off. If only all other financial decisions were as simple as Dennis makes this one.”*

**Joe J. writes:**

*“My wife and I read the Annuity Guide together while on a road trip a couple of weeks ago. I drive and she reads. We also read an assortment of other articles that people have written on the subject. **Your guide is by far the most objective and very thorough.** The most meaningful take away for me was buying an annuity for what it guarantees not for what it could be. I am checking the annuity I bought about 8 years ago and of course it is not structured the best way. I really appreciate what you are doing and wish you the best.”*

**Fred S. writes:**

*“I teach a class on Financial Peace at our church. After reading the Annuity Guide, it is a must addition to our subject material.”*

Click [HERE](#) for detailed information on the Annuity Guide. Enter “Dennis” under the coupon code and you will receive a 20% discount off the normal retail price.

## **And Finally...**

I am not licensed or qualified to give individual, personal investment advice. This report is a combination of my personal experiences, research, interviews and discussions with professionals. Many licensed professionals have invited me to appear on their radio or television shows, tipping their hat to my voice of experience. I welcome those opportunities. I do not recommend or endorse any financial planners or their organizations. Everyone has different needs and you want to find the right fit for YOU.

If you have questions, feel free to write, [dennis@milleronthemoney.com](mailto:dennis@milleronthemoney.com)

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