



PROTECTED INCOME: YOUR TOOL IN DESCENDING THE MOUNTAIN

Retirement is a lot like climbing a mountain. Just as important as it is to get up the mountain, it's important to safely get down. So, when you're packing to go up the mountain, you also need to have the right gear to come back down, and protected income can be a vital tool in your descent.

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Protected income in retirement can significantly enhance your financial stability during the distribution phase. Unlike passive income, which derives from investments or savings, protected income transfers the burden of income provision to another entity. Here are some examples:

- Social Security: Income responsibility shifts to the government.
- Pensions: Income is supported by a company.
- Annuities and Life Insurance: Income assurance lies with an insurance carrier.

These sources offer steady income, reducing reliance on portfolio performance. For instance, if 80% of income comes from Social Security and pensions, retirees can use market returns for discretionary expenses like vacations or enhancing lifestyle. However, not all protected income is guaranteed; factors like future Social Security solvency can affect this so reviewing your protected income sources should be a key priority in your annual planning.

Investing comes with potential market fluctuations and having a comprehensive strategy around protected income can help mitigate the risks and volatility. Incorporated strategies such as cash values from indexes or whole life insurance policies can be a source of income during market downturns instead of withdrawing from investments. Annuities are another income strategy that can provide a consistent income that also addresses longevity risks.

Understanding these options is crucial for a secure retirement transition and utilizing protected income strategies can help maintain lifestyle preferences and achieve financial goals, ensuring a rewarding retirement experience.

For further insights on protected income, listen to the full podcast [here](#).



If you're ready to get started, or if you're looking for a second opinion on your current strategy, remember, we are here to help with the complexities of retirement planning while keeping your financial goals in focus.

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