WELCOME FUNDS
Life Settlements, Simplified. Offers Maximized.

EMBRACING THE NEW ERA OF "DIY" RETIREMENT FUNDING

In previous generations, it was common for a hard working citizen to secure a job at a stable company, be employed by the same organization for decades, and then retire one day with the proverbial gold watch and a nice pension to supplement monthly Social Security checks.

Those days are over but for a small percentage of fortunate employees today. There are four major trends that have changed the outlook for the future of retirement funding in America:

1. Disappearing Pensions

Private employer-sponsored pension plans have been on the decline for years. At one time, 88 percent of private sector workers with an employer retirement plan had a pension and that number is now closer to 30 percent, according to the National Public Pension Coalition. Even more alarming, the Center for Retirement Research estimates it could be as low as 17 percent. Companies no longer need to offer pension plans to compete for workers. They appear to be disappearing from the American economic landscape.

2. Unstable Social Security Fund

We have known for years that a large amount of baby boomers entering their retirement years would diminish the Social Security trust fund. Compounding the issue is that interest income on the funds has been shrinking as well. The Social Security Trustees reported in 2019 that the Social Security trust fund could become depleted in 2034, forcing as much as a 21 percent cut in benefits, if lawmakers don't implement necessary reforms to the program.

3. Prolonged Low Interest Rates

Just as we were emerging from one of the longest "near-zero" interest rate environments in American history, the Coronavirus-driven economic shutdown caused the Federal Reserve System to return right back to zero — and the Fed has indicated that we will not see rate increases for at least the next year. The effects of this development has been twofold: 1) an unprecedented suppression of fixed income returns for retirees; and 2) annual Cost of Living Adjustments on retiree benefits falling to as low as zero.

4. Savings Shortfall

With traditional pensions disappearing, individual retirement savings accounts are increasingly critical. Unfortunately, a report from the U.S. Government Accountability Office found that "many households are ill-equipped for this task and have little or no retirement savings." Another study found that retirement savings "are dangerously low" and placed the median retirement account balance for near-retirement households at just $12,000.

Even as challenging as these times are for retirees, there is a way to view the current economic climate as a period of individual empowerment in America. Welcome to the new era of "Do It Yourself" (DIY) retirement funding.

"With the decline of traditional pensions, many older workers and retirees face a 'do it yourself' retirement: You're on your own to figure out how to make your retirement savings last for the rest of your life," according to CBS News. "To address this challenge, different thinking and new language is needed to transition from a mindset concerned with accumulating assets for retirement to a mindset concerned with generating income in retirement."

For example, the Stanford Center on Longevity comments on the importance of retirement income generators that can produce liquidity in the senior years. Such considerations include maximizing Social Security benefits by delaying claims for as long as possible; buying a guaranteed lifetime annuity to function as a personal pension; converting life savings into an investment portfolio to produce higher interest returns and/or dividend income; or facilitating a reverse mortgage to function as a long-term line of credit for paying retirement expenses.

By embracing DIY retirement funding, seniors can take charge of their personal financial futures, rather than remain vulnerable to the unreliable behavior of Congressional lawmakers or corporate balance sheets.

One DIY retirement funding strategy that many eligible seniors are exploring is to sell their life insurance policies that they no longer need or can afford. The sale of a life insurance policy to a third party representing institutional funds is a life settlement. The senior receives a cash payment for transferring the ownership of the policy to the new owner and the purchaser assumes all future premium payments in exchange for the benefit when the insured passes away. Candidates for life settlements are typically 70 or older, with a life insurance policy that has a death benefit of at least $100,000. Life settlement transactions surged by 11 percent in 2019, according to a report in The Deal.

It is important for seniors to understand that we are in a new era of retirement funding. By embracing DIY retirement planning, they can become creative with multiple strategies available to them to finance their future.

For more information about the potential value of a policy owner's insurance policy, contact Welcome Funds by visiting welcomefunds.com or calling 877.227.4484.

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ABOUT WELCOME FUNDS

Past two decades, Welcome Funds has served in the best interest of policy owners by maximizing life settlement offers through auction based negotiations with the top buyers in the secondary market. When buyers compete, your clients win!

36,000+	$1+ Billion	9+
Offers Negotiated	Paid to Consumers	Average # of Bids Per Policy

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