



**WIFS**  
WOMEN IN INSURANCE & FINANCIAL SERVICES

Enhancing retirement success rates in the United States

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Financial Planning


1



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Assistant Professor  
Director of Financial Planning Program


2



- Past research focused on **financial portfolio** (Cooley, Hubbard, & Walz, 1999).
- **Housing is often the largest asset** (Lichtenstein, 2012) (Tomlinson, Pfeiffer, & Salter, 2016).
- **Social Security is primary source of income** (Pension Rights Center, 2017).

3

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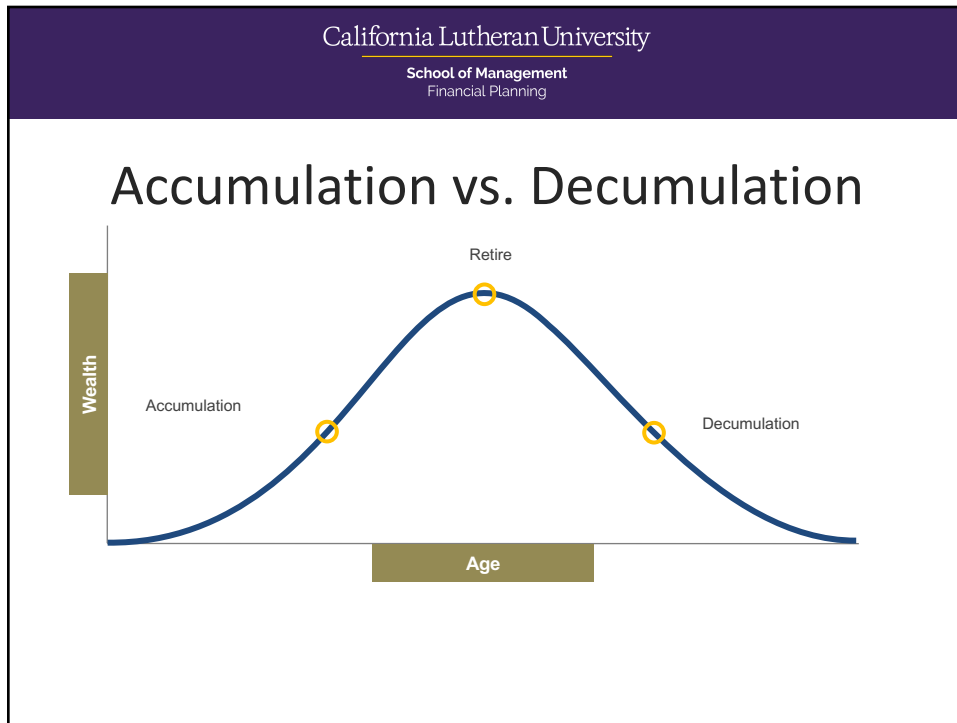
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4



5



6

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## Retirement Balance Sheet

Assets	Liabilities
<b>Human Capital Assets</b>	<b>Fixed Expenses</b>
Continuing career	Essential Living needs
Part-time work	Taxes
	Debt repayment
<b>Home equity Assets</b>	<b>Discretionary expenses</b>
	Travel & leisure
<b>Portfolio of Financial Assets</b>	Lifestyle improvements
Checking/savings	
Brokerage	<b>Contingencies</b>
Retirement plans	LTC
Insurance & annuities	Health Care
	Other spending shocks
<b>Social Capital</b>	<b>Legacy Goals</b>
Social security	Family
Medicare	Community & Society
Company Pension	
Family & community	
<b>Rental Real Estate Assets</b>	
<b>Business Assets</b>	

Chien, C. (2019). [Enhancing retirement success rates in the united states : Leveraging reverse mortgages, delaying social security, and exploring continuous work](#). Cham: Springer International Publishing. doi:10.1007/978-3-030-33620-2

7

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A

$$V_t = V_{t-1} * \left( 1 + \left( \frac{1 + R_t}{1 + CPI_t} - 1 \right) \right) - W_t$$

?

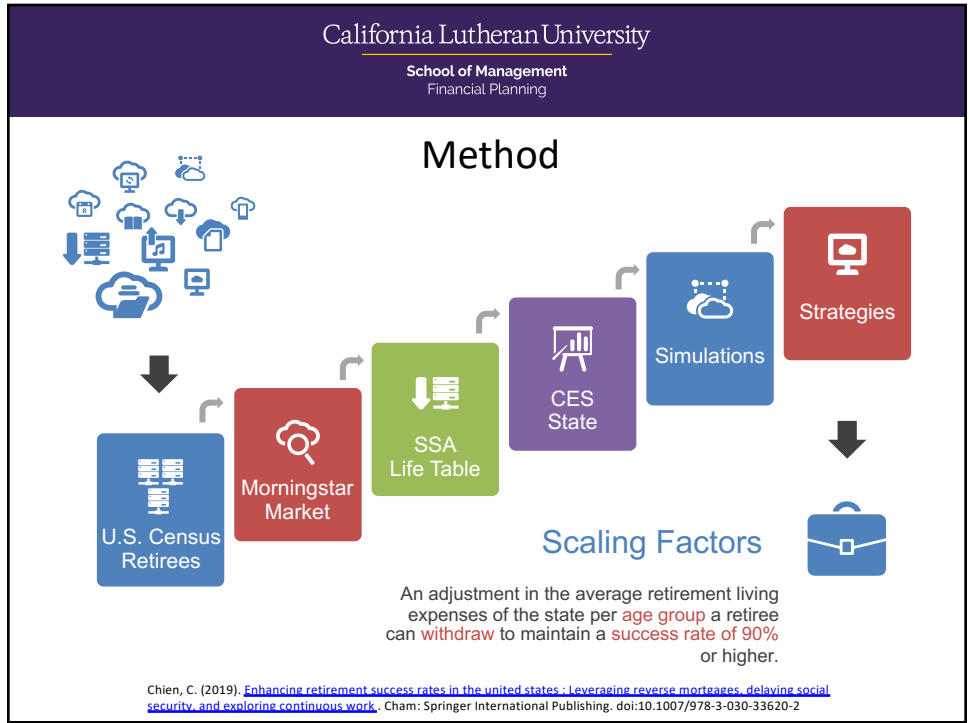
**ASSUMPTIONS**

Retirement needs calculation.

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8





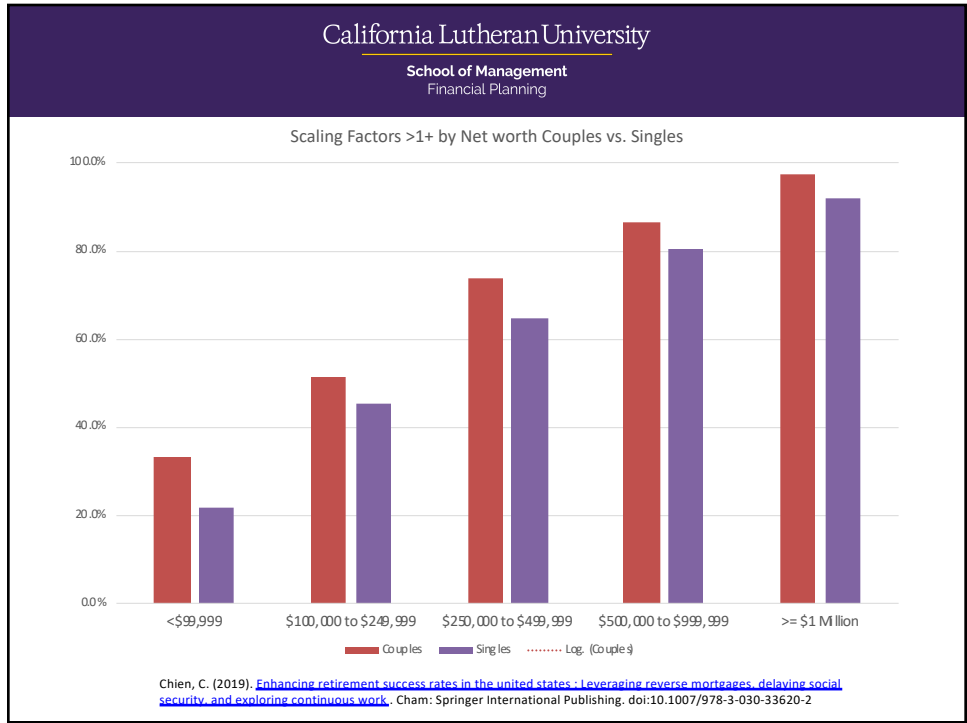
9

## What are weighted average success rates in US retirees?

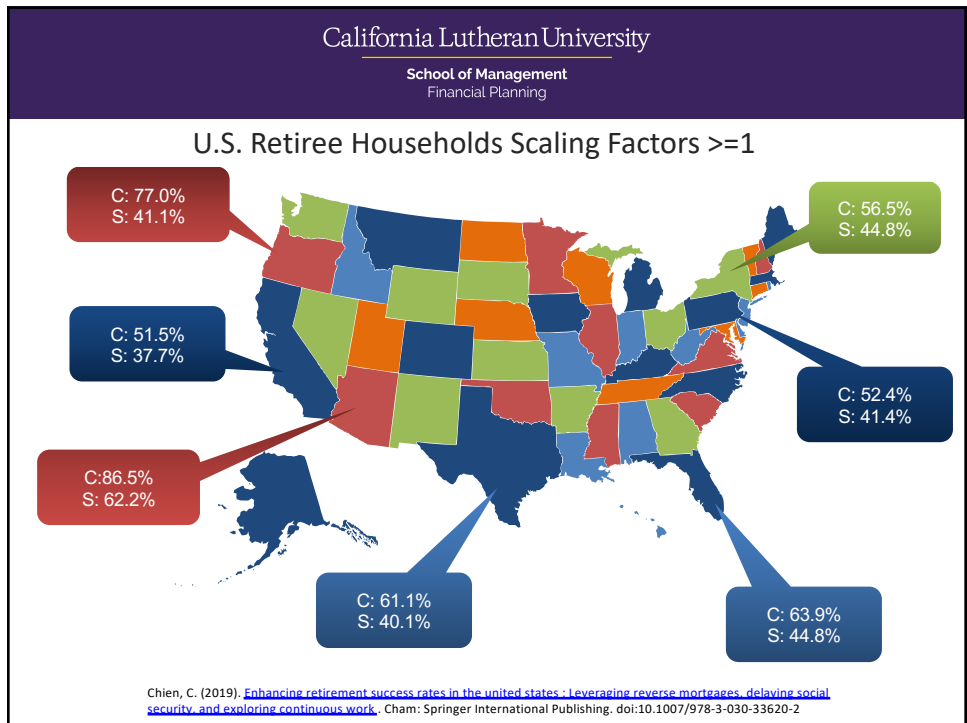
- Couples 55.7% & Singles 63.3%
- Couples 65.9% & Singles 43.0%
- Couples 80.9% & Singles 70.8%

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11



12

Gift Tax Exemption

## What are some investment options during low interest rate environment?

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## Will reverse mortgage (HECM) enhance retirees success?

No, Reverse Mortgage is a scam

Maybe, depends

Yes, for those qualified

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14

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Home Equity Assets  
HECM or Reverse Mortgage

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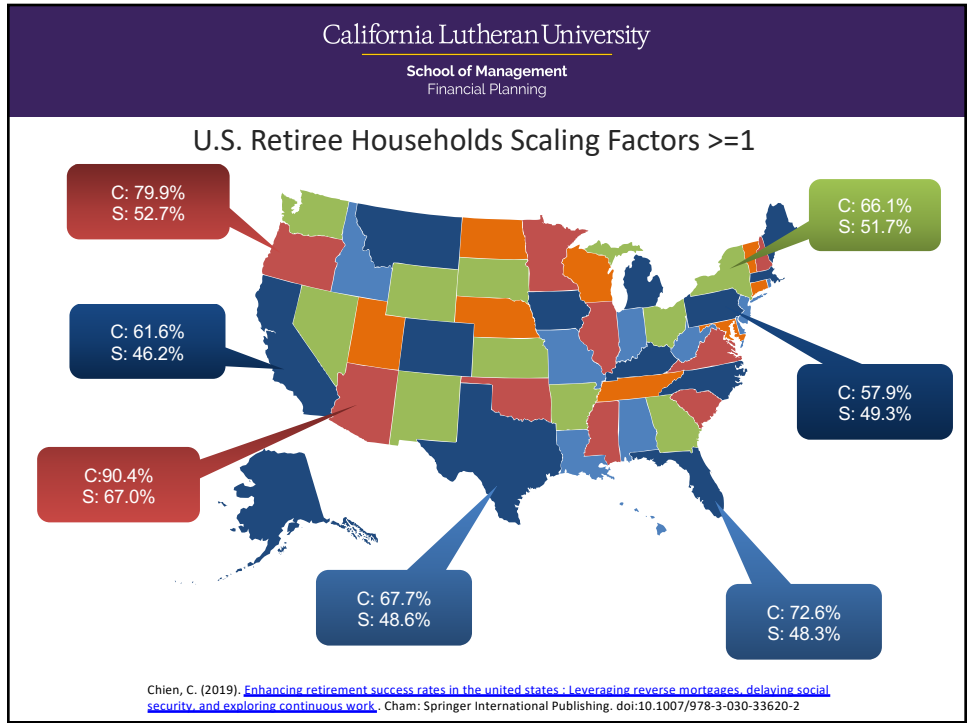
15

**What is % of retirees population improved when using HECM (weighted average)?**

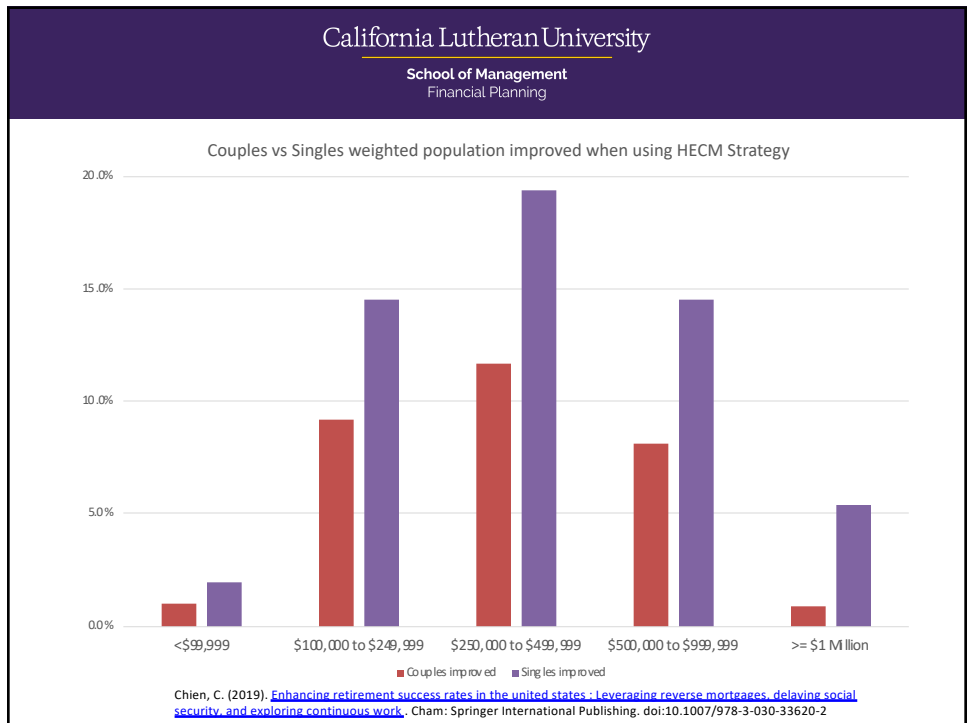
Couples 5.2% & Singles 10.0%
Couples 12.6% & Singles 18.6%
Couples 21.7% & Singles 28.7%

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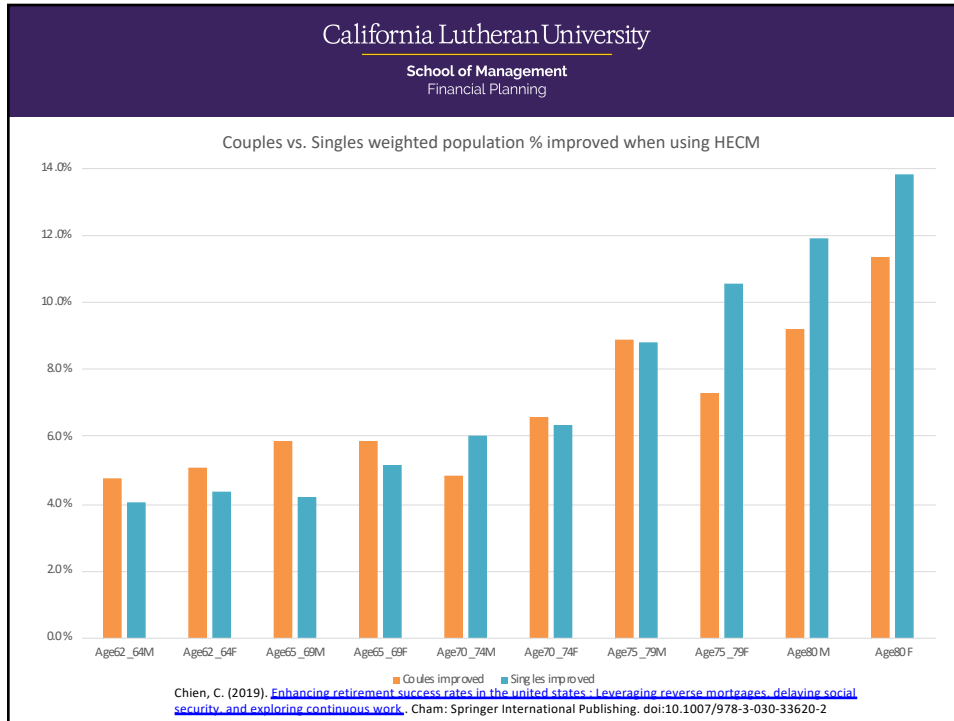
16



17



18



19

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- **Diversity or leverage all assets** (human capital, home equity, portfolio, social capital, real estate, business)
- **Plan early and plan for surviving spouse**
- **Control spending** (Downsizing, relocating, cohabitate)
- **Be nice to your family** (or children, friends)

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20



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## How to help clients?

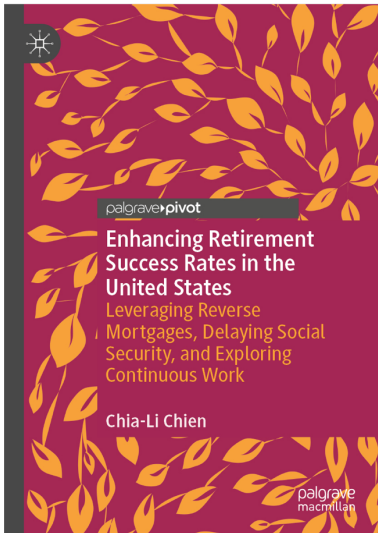
- Downsizing by migrating to another state
- Pension payout option
- Delayed claiming Social Security Retirement plus working
  - Business owner
  - Immigrant
- HECM as a backup

21

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## Thank You!

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Success Rates in the  
United States  
Leveraging Reverse  
Mortgages, Delaying Social  
Security, and Exploring  
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22