Whole Life: The Key to Unlocking your Retirement

Over the years, you have been taught that your retirement nest egg has a large 'DO NOT TOUCH' sign attached to it until retirement. Even at retirement, people hesitate to spend their nest egg for fear of running out of money.

So what happens if you remove that sign and crack that egg open?

Plenty of retirees have done just that and are fully enjoying the benefits of their hard-earned money. After spending years saving and accumulating assets, many people find themselves budgeting more in retirement than in their working years, often spending only the gain on their savings to avoid spending principal.

So how are the people who are enjoying their assets in retirement doing it?

When thinking about retirement, there are pre-conceived notions that the best way to prepare is to heavily invest, depend upon a 401(k) and rely on social security – and, if you're lucky, a pension. However, there is an additional step to achieving an enjoyable and secure retirement. It's whole life insurance used in a way you've probably never thought before.

Many people have the common perception that now that my kids are grown, I can drop my life insurance policy so I can save, and even invest that money I was spending on the policy. The loss of the life insurance death benefit from your balance sheet will have a significant impact on your ability to access other assets in retirement.

What is not realized is that you are losing much more than just the death benefit associated with the life insurance policy; you are losing the freedom to live your retirement life to the fullest.

Rather than looking at whole life as a cost, it is important to see it as an asset with a promise.

The examples below show what cumulative retirement assets might look like after a 30 year period. If you do not have a life insurance policy in place, you may look to spend little or no principal to avoid running out of money. However, when you do have life insurance, you are able to spend both the principal AND interest, while having a guaranteed legacy for your family in place provided by the guaranteed death benefit of whole life.

	Retirement *Without* Life Insurance Based on a 30 year period and a 6% Annual Interest Rate*	**Retirement *With* Life Insurance** Based on a 30 year period and a 6% Annual Interest Rate*
Savings	**$1,000,000**	**$1,000,000**
Whole Life	**$0**	**$1,000,000**
Total income living only off interest and preserving principal	**$1,103,774**	**N/A**
Total income spending both principal and interest	**N/A**	**$1,686,466**
Principal goes to your family as your legacy	**$1,000,000**	**N/A**
Whole Life goes to your family as your legacy	**$0**	**$1,000,000**

*Hypothetical is based on a male, age 35, who retires at age 65 and lives until age 85 with a rate of return of 6% in a 35% tax bracket. The hypothetical example does not represent the performance of any particular financial product or security.

Rather than looking at whole life as a cost, it is important to see it as an asset with a promise.

A New Perception, A New Promise

With whole life in place during your retirement, you no longer have to keep your money locked away and are able to enjoy your wealth without restraint. It sits behind all of your other assets, always there with the promise that it will pay a benefit at your death. Without having the concerns of legacy planning, you can access your other assets more freely – both the principal and its earnings.

The bottom line: A retirement that includes whole life insurance is better than one that does not.

By integrating whole life into your overall retirement strategy, you are given the unique combination of having the freedom to spend your retirement assets how and when you want while putting in place a secure legacy plan for your loved ones. Being able to maintain your accustomed lifestyle into your retirement years and even increase your post-retirement income **without worry** is the ultimate goal.