



JOE JORDAN

Prospering in a Post-COVID World

NAIFA Nebraska

January 13, 2023





Emotion-Driven Planning Will Accelerate Soon

People want their money managed in ways that improve their lives.



Financial Advisor magazine, May 2018



Mitch Anthony

Old Premise

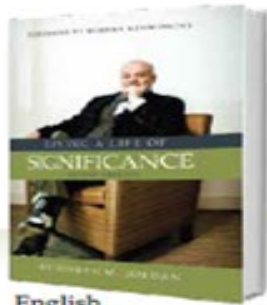
Do you have enough money?

New Premise

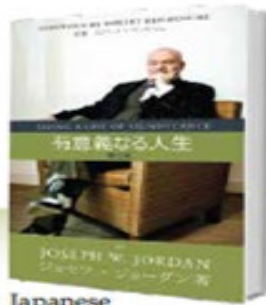
Are you managing your money in a way that improves your life?



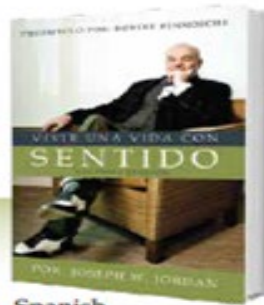
Living a Life of Significance- Now in Five Languages



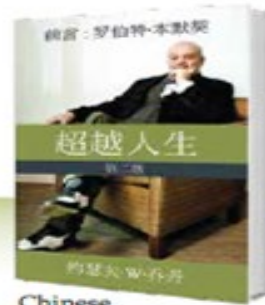
English



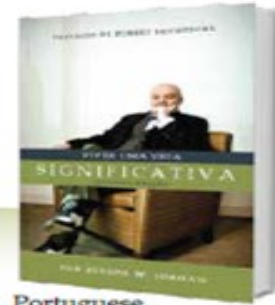
Japanese



Spanish

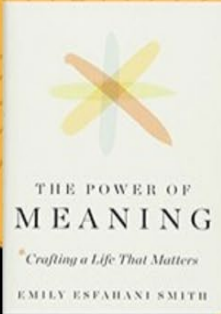
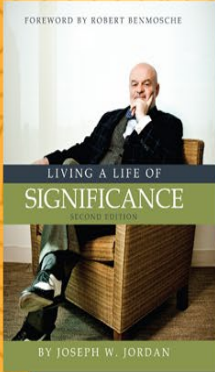


Chinese



Portuguese

"Living a Life of Significance is essential reading for your practice and your soul."
— Nick Murray, "Resources" in Nick Murray Interactive, July 2011



A SIGNIFICANT LIFE

Belonging

Purpose

Storytelling

Transcendence

Monthly Stories Sent To Your Inbox

Sign Up At [JosephJordan.com/story](https://www.josephjordan.com/story)

Family Members Can Be Difficult To Approach

August 17, 2018 | Joseph Jordan

Check out this video that all financial advisors need to see:



"Like a Light in the Dark"

August 17, 2018 | Joseph Jordan

Take a minute out to listen to this great video from Alliance Group, a pioneer in living benefits. It's a powerful story about the impact we can have on clients.



Disability Insurance: A Critical Conversation With Small Business Owners

September 25, 2018 | Joseph Jordan

Much of the discussion about business planning centers around succession planning, usually using life insurance.

One product that has been habitually undersold is disability income insurance.

How George Reilly benefited his



Joelma's Story Is Why You Must Prospect With Everyone

September 19, 2018 | Joseph Jordan



Becoming More Than An Advisor

September 12, 2018 | Joseph Jordan

After narrowly escaping the Killing Fields of Cambodia as young adults, Nancy and Brian Sovann were incredibly fortunate to come to the United States, where they started a new life together.

Little did they know, the life they built for themselves in America would be threatened once again years later.

Listen to Nancy tell her personal story about her experience with living benefits and working with her agent, Jo Ann Merritt-Green.

"Thank you, Living Benefits."



relationship between a financial prof

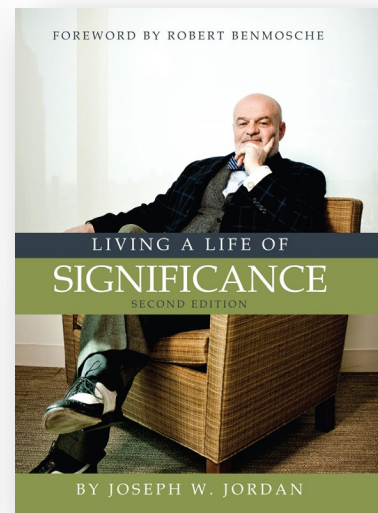
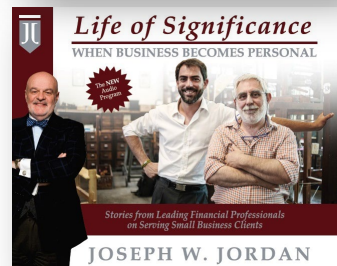
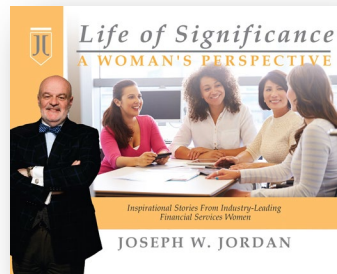


Life of Significance Bundle

You get:

- Joe's bestselling *Living a Life of Significance* hardcover book ~~\$24.95~~ \$19.96
- *Life of Significance: A Woman's Perspective* Audio & Video program ~~\$50.00~~ \$40.00
- *Life of Significance: When Business Becomes Personal* Audio & Video Program ~~\$50.00~~ \$40.00

Special Offer: ~~\$124.95~~ \$99.96 (20% off)



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Life Insurance Is A Women's Issue



According to the *Women's Institute for a Secure Retirement*, about 80% of women die single and some 80% of men die married.



Purpose Driven Retirement Planning



- Those that retire to something feel much better than those retiring from something
- You have to prepare yourself for the substantial lifestyle changes



Eugene Cernan



“If you think going to the moon is hard, try staying home.”



Purpose Driven Retirement Strategies





McKinsey
& Company

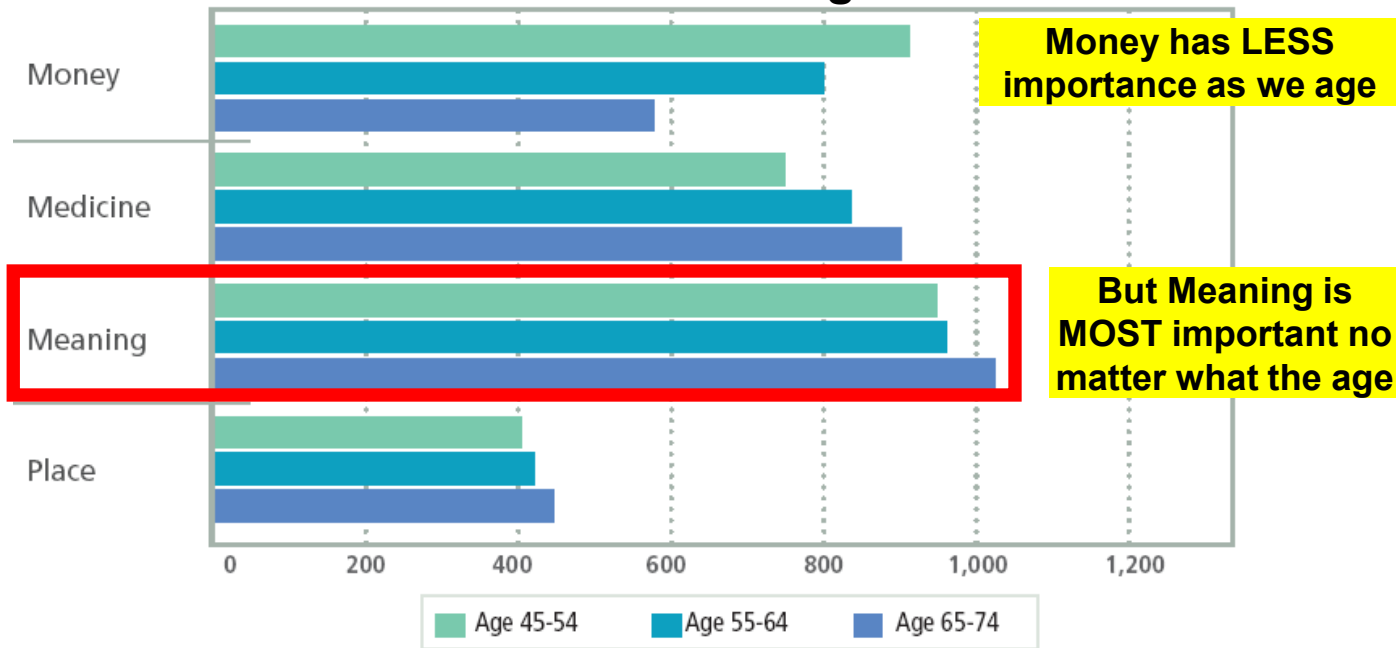
2020 Report - Predicting What Wealth
Management Will Look Like in North America

“In the next 10 years advisers will gradually shed their role as investment managers and become more like integrated life/wealth coaches.”



Balancing Money, Medicine, Meaning and Place

Relative Importance of Four Life Themes Based on Age





MITCH ANTHONY | PAUL ARMSON

LIFE CENTERED
**FINANCIAL
PLANNING**

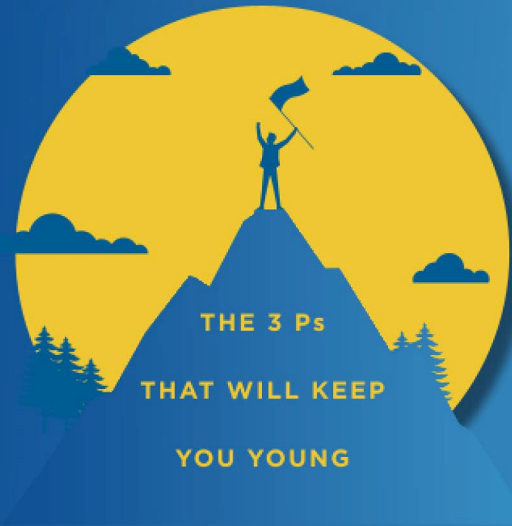
HOW TO DELIVER VALUE THAT
WILL NEVER BE UNDERVALUED



WILEY



how to retire and *not* die



GARY SIRAK

WITH MAX SIRAK



Wheel of Fulfillment





Face Your Fears





What is the defining Issue of the 21st Century?

- Pandemics?
- Global Warming?
- Energy?



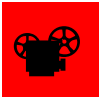
The Aging Population of the World

DISCOVER
October 2012





Elon Musk





Centenarians Around The World (2020)

Location	Number	Rate Per 10,000
China	54,166	0.4
Japan	80,450	6.4
United States	92,000	3.0
World	573,423	0.8



Slide courtesy of:
Prof. Moshe Milevsky
York University, Toronto



U.S. Centenarians: Women vs. Men

92,000 Centenarians

Age Group	Gender Ratio
100+	5.5 to 1

Source: U.S. Census Bureau & Dudley Poston, Texas A&M University.



Slide courtesy of:
Prof. Moshe Milevsky
York University, Toronto



New Challenges



Turn assets into income



Manage risk not just money



Make the most of what you got



Consumer Change of Focus

Accumulation Phase → Distribution Phase



Return on Investment

Reliability of Income



What is the Biggest Asset?

Home

Pension

401(K)

Social
Security



Social Security:

It May Be Worth More Than You Think

By waiting, you can effectively increase the amount of income available to you with no real investment risk.

Age 62 SS
\$18,000**

Age 67 SS
\$28,057**

** SS benefit estimates, per rules at www.ssa.gov, as follows: Assumed benefit of \$2,000 per month at NRA of 66. Age 62 and reduced to \$1,500 (25.00% for 48 months early start x 12 for \$18,000 annually.) Age 67, 2% hypo. COLA (lower than current SSA estimates), applied for 5 years (age 62 – 67), PLUS 8% Delayed Start Credit, for $\$2338 \times 12 = \$28,057$.



Social Security:

It May Be Worth More Than You Think

Consider the total amount that could be generated from Social Security benefits over the course of a 25-year period.

\$450,000

x25 ↑
Age 62 SS
\$18,000**

\$701,425

x25 ↑
Age 67 SS
\$28,057**

** SS benefit estimates, per rules at www.ssa.gov, as follows: Assumed benefit of \$2,000 per month at NRA of 66. Age 62 and reduced to \$1,500 (25.00% for 48 months early start x 12 for \$18,000 annually.) Age 67, 2% hypo. COLA (lower than current SSA estimates), applied for 5 years (age 62 – 67), PLUS 8% Delayed Start Credit, for \$2338 X 12 = \$28,057.



The Risks

- Longevity – Living Too Long
- Market and Interest Rate Volatility
- Withdrawal Rate Risk
- Sequence of Returns
- Purchasing Power Risk
- Health Risks



THE WALL STREET JOURNAL.

Forget the 4% Rule



Feb. 9, 2018

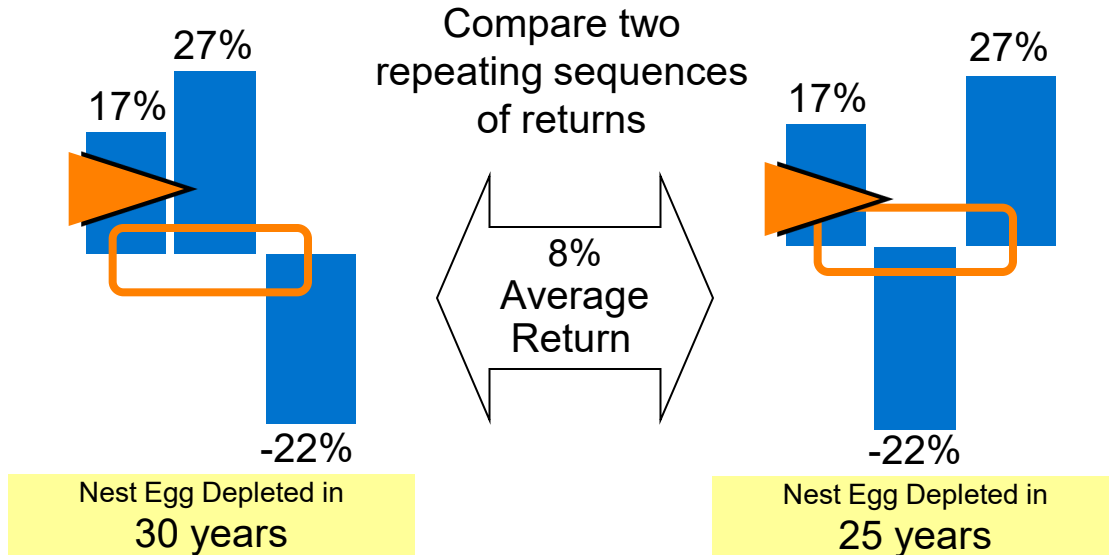
“3% is the new safe withdrawal rate,” says Wade Pfau, a professor at the American College...



Will Sequence of Returns Matter?

\$1 million Nest Egg

↳ \$3,800 Monthly Withdrawal + 3% Inflation



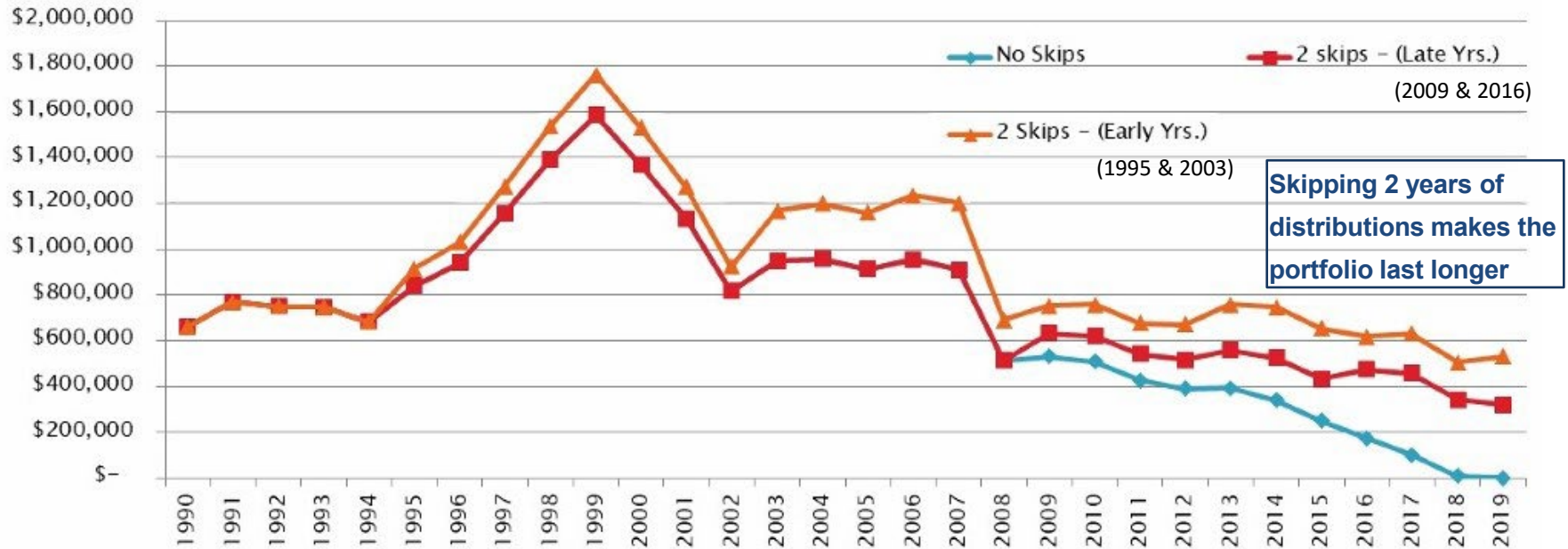
1.) Source: Moshe Milevsky, Ph.D.; IFID. 2.) Assumptions: Hypothetical return of 17%, 27% and -22% in 3 year cycle for life of investment. Hypothetical investment management fee of 2.05% (0.8% fund company management fee and 1.25% WRAP fee. 3. Assumptions: Hypothetical return of 17%, -22 and 27% in 3 year cycle for life of investment. Hypothetical investment management fee of 2.05% (0.8% fund company management fee and 1.25% WRAP fee.) Figures, calculations, and graphs are for illustrative purposes only. They are based on hypothetical rates of return and do not represent investment in any specific product. They may not be used to predict or project investment performance. Unless noted, charges and expenses that would be associated with an actual investment are not reflected.



BENEFIT OF A "BUFFER" ASSET

30 Year Time Horizon
1990-2019

\$750,000 initial account balance in S&P 500
6.15% annual withdrawal rate



Slide courtesy of: Barry H. Sacks, Ph.D., J.D.



Types of “Buffer” Assets

- Sizable Liquid Asset – e.g., Money Market Account
- Life Insurance Policy Loans – Non MEC
- HECM – Reverse Mortgage



Using a “Buffer” Asset

- Adjust withdrawals to portfolio performance - avoid selling at losses
- Reduce Sequence of Returns risk in early years of retirement
- Use the buffer asset for spending in market “down” years to preserve portfolio
- Reduces risk of running out of money



Purchasing Power Risk / Inflation

1992

Postage stamps cost about \$0.29



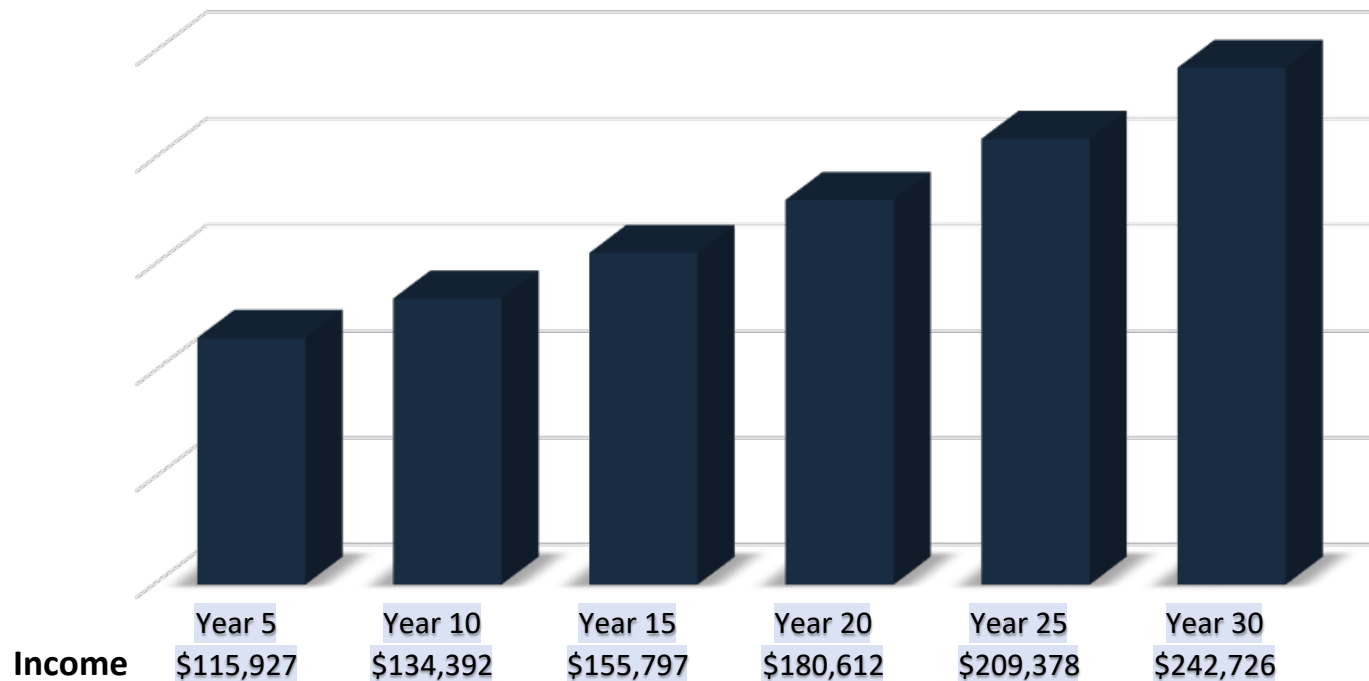
2022

Postage stamps cost about \$0.58





How \$100,000 income must grow to keep up with 3% CPI





1992



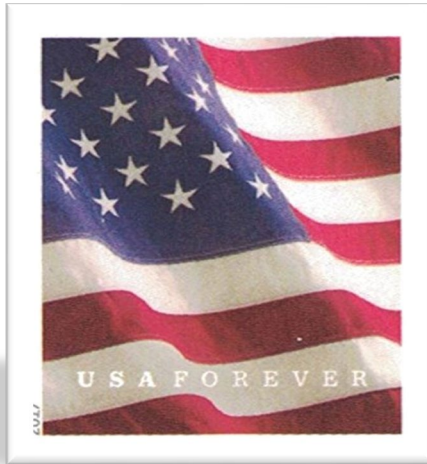
\$.29 cost

S&P 500
417.26
(1/2/1992)

This slide is based on the S&P 500, a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is an unmanaged index that cannot be invested into directly. Past performance is no guarantee of future results.



2022



\$.58 cost

S&P 500
4,797
(1/3/2022)

This slide is based on the S&P 500, a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is an unmanaged index that cannot be invested into directly. Past performance is no guarantee of future results.



DALBAR Study

Variable annuity sub accounts on average earned more than the average equity investor on an annualized basis

ONE YEAR

1.48% HIGHER ON AVERAGE

THREE YEAR

2.31% HIGHER ON AVERAGE

FIVE YEAR

3.69% HIGHER ON AVERAGE



Variable Annuity Critics



Suzi Orman



Dave Ramsey



Ken Fisher

**FEES TOO HIGH
TOO COMPLICATED**



THE WALL STREET JOURNAL.

November 14, 2022

A Classic Strategy for Investors Falls Apart

Savings mix of 60% stocks and 40% bonds
hasn't helped offset losses this year



Managing Taxes

There may be other impacts when you have an increase in income



Tax credits and Schedule A deductions

Some tax credits and Schedule A deductions are reduced or eliminated, including the Earned Income Credit, Miscellaneous and Total Itemized Deductions, Mortgage Insurance Premiums, Charitable Contribution deduction, Medical Deduction Allowance, and others¹



Medicare premiums

Medicare premiums increase, up to triple depending on your income³



Security Security benefits

Social Security benefits are reduced by additional taxation²



Patient Protection and Affordable Care Act

The refundable tax credit for the Patient Protection and Affordable Care Act is reduced or eliminated⁴

In other words...



As your taxable income increases



Your taxes increase

Your Social Security benefits are reduced by additional taxation



Your Medicare premium increases are tied to taxable income

1. Source: IRS.gov

2. Source: Social Security Administration

3. Source: Centers for Medicare & Medicaid Services

4. Source: Healthcare.gov



The Rules Have Changed

Medicare IRMAA current brackets (2022)

Individual MAGI	Couples MAGI	Part B	Part D
< \$91k	< \$182k	\$170.10	Premium (varies)
\$91k - \$114k	\$182k - \$228k	\$238.10 (40%)	Premium + \$12.40
\$114k - \$142k	\$228k - \$284k	\$340.20 (100%)	Premium + \$32.10
\$142k - \$170k	\$284k - \$340k	\$442.30 (160%)	Premium + \$51.70
\$170k - \$500k	\$340k - \$750k	\$544.30 (220%)	Premium + \$71.30
>\$500k	>\$750k	\$578.30 (240%)	Premium + \$77.90

Source: Medicare.gov



WHAT INCOME IS NOT CONSIDERED TAXABLE?

- HEALTH SAVINGS ACCOUNTS (HSA's)
- ROTH ACCOUNTS
- HOME EQUITY MORTGAGES
- PROPERLY FUNDED LIFE INSURANCE POLICY
LOANS (NON MEC)
- IMMEDIATE ANNUITIES WITH NON-QUALIFIED
MONEY (EXCLUSION RATIO)



Demise of the “Stretch” IRA

- Prior to 2020, beneficiaries who inherited an IRA could take RMDs based on their own life expectancy, stretching out the time to make withdrawals and deferring any income taxes
- The SECURE Act eliminated this option for most non-spouse beneficiaries, who instead have to deplete the account within 10 years and pay any income tax due
- When beneficiaries inherit the death benefit from a LIRP, it is exempt from income tax



Benefits of Life Insurance

1. SOCIAL SECURITY BRIDGE (LIRP)
2. BUFFER ASSET (LIRP)
3. IRMMA SOCIAL SECURITY HEDGE (LIRP)
4. SIMPLE (LAW OF CONTRACTS)
5. PROVIDES PRE/POST DEATH CONTROL
6. INCOME TAX-FREE DEATH BENEFITS
7. LIVING BENEFITS



Ed Slott, IRA Expert

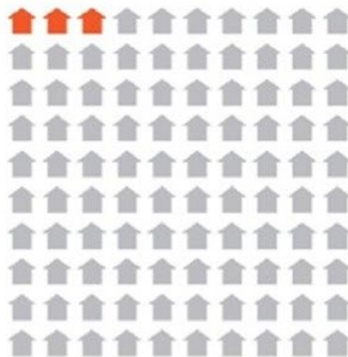


“People want

1. Larger Inheritances
2. More Control Pre and Post Death
3. Less Tax”



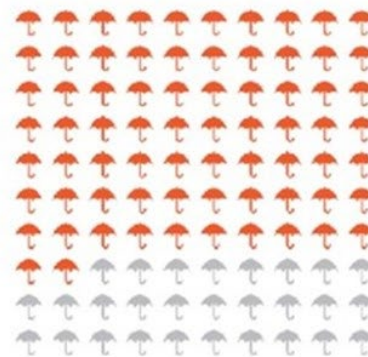
The Odds



Odds of having
a house fire?
About 3%



Odds of having
a car accident?
About 18%



Odds of needing
Long-Term Care?
About 72%

How to Protect Yourself From Your Parents

*Strapped Retirees Turn
To Kids for Financial Aid;
Buying Your Childhood Home*

By MICHELLE HIGGINS

AFTER SPENDING years saving for a comfortable retirement, many people are running into a cost they never planned for—their parent's retirement.

In the latest sign of the tough economic times, a growing number of families are undergoing a role reversal. Instead of getting financial help from their parents, children are having to give them regular handouts. Some are shelling out tens of thousands of dollars to cover basic costs, from medical and credit-card bills to vacation and retirement-home expenses.

Rae Mauro, a 66-year-old research analyst from Valencia, Calif., recently opted not to retire because she needed the salary to pay for a nursing attendant for her 87-year-old mother, who suf-

Role Reversal

Sure, your parents used to house you and buy your school magazines. Here are some ways you can help them without hurting yourself.

- **Become their landlord**
- **Deduct them from your taxes**
- **Buy stuff from them**

For more details, see chart on page D2.



Getty Images

fers from Alzheimer's. Ms. Mauro says she gets little help from her siblings. "They don't help financially and don't help with time," she says. Frances Rankin, Ms. Mauro's 58-year-old sister, says her older sister wants to do things her way and has rejected suggestions to put their mother in a nursing home.

For years, financial advisers have trotted out the same advice to protect people from the poor financial planning of their parents. Sit down with them and make sure they're saving enough for retirement. Discourage them from going into hock. Encourage them to buy insurance to pay for the costs of a nursing home.

The problem with most of this advice is it works only if you plan way in advance and if your parents are willing to cooperate. In addition, one of the most widely plugged financial products—long-term care insurance—doesn't make sense for a lot of people, partly because premiums are so high.

So planners are now touting a range of other options that are designed to help kids bail out parents whose savings have been savaged by the bear market and low interest rates. One increasingly popular tactic is to

Please Turn to Page D2, Column 1



Mother-in-Law





Fred Belman at MDRT





Personal Story

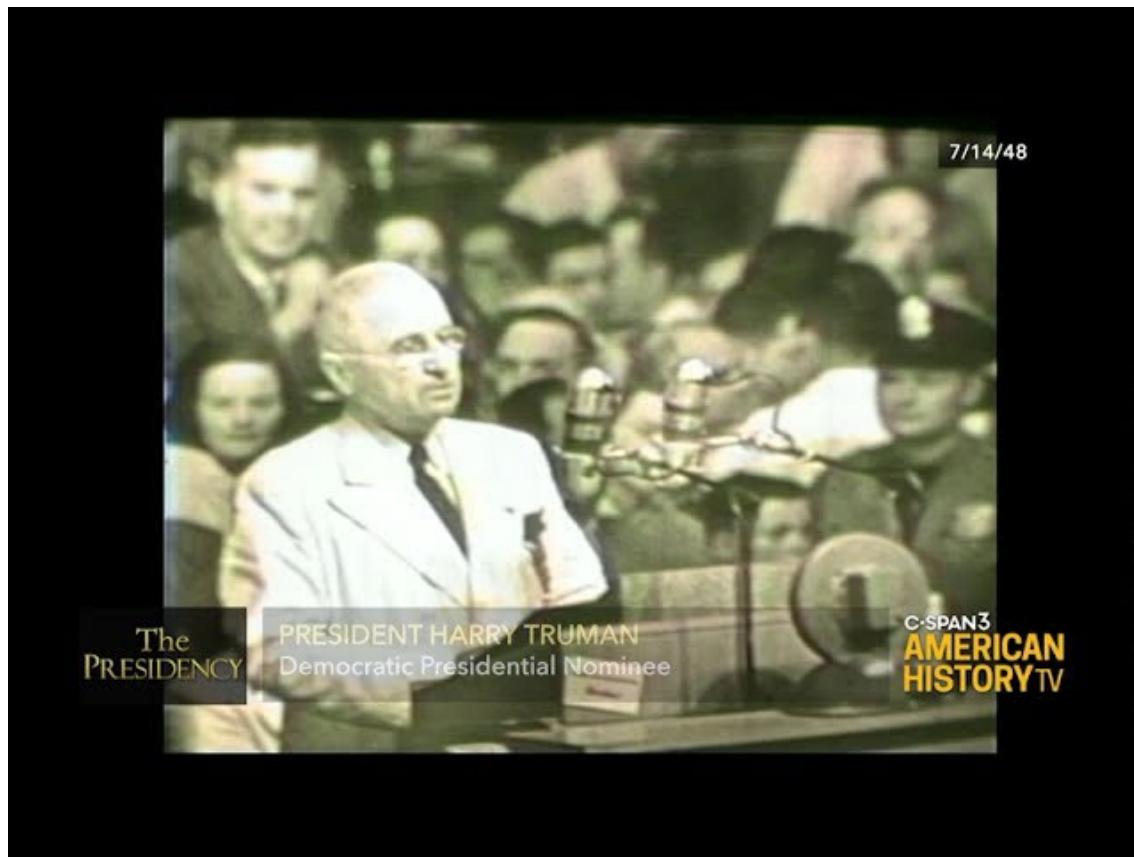
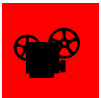




Photo © Joseph Jordan



MDRT Excerpt





JOSEPH CAMPBELL

CENTENNIAL EDITION WITH A NEW PREFACE BY PHIL COUSINEAU



THE HERO'S JOURNEY

JOSEPH CAMPBELL ON HIS LIFE AND WORK



Life of Significance



Chief Seattle



Photo © Joseph Jordan