



DO YOU KNOW YOUR CLIENTS' RETIREMENT-INCOME STYLES?

We all want to do our best for clients, but how do we know what that means? We offer tools to help you determine an individual's retirement style and build a plan that inspires them.

Both clients and financial professionals approach retirement-income planning with their own preferences and preconceived ideas about how income will be generated. Some financial professionals may be inclined to develop plans according to their own preferred styles and routines. This is understandable, as their extensive experience has likely revealed processes that consistently work for most clients. But previous standard processes may not work for all clients. Finding the appropriate retirement-planning approach to complement each client's style can be complex, but it also can be worth your time, as it may help cultivate trust and confidence.

Two Schools of Thought

There are two main schools of thought on generating retirement income: an investment school and an insured-solution school. Both rely on fixed income for a portion, but the similarities end there. To offset inflation and longevity concerns, an investment focus relies on equity markets and risk premiums, while an insured-solution focus relies on mortality pooling.

Which one should you choose? There isn't an objective right or wrong answer, but finding a solution that works best for a unique client requires curiosity about the client's preferences, understanding of behavioral biases, and a thorough knowledge of how each style may impact

his or her plan. For most retirees, the optimal solution involves a mix of the two styles.

We Have Tools That Can Help

Here's the good news: You don't need to synthesize all this information alone. Resources and tools are available to help you incorporate both income styles and provide the most efficient and palatable retirement-income solution. Here's how to get started:

- **Discuss retirement-income styles.** Engage with clients' opinions about income-based and investment-based plans. Understanding their backgrounds, beliefs, and preferences can help you work toward a sustainable solution based on their styles.
- **Use tools, data, and other resources.** Use the information you learn during client conversations to synthesize and visualize options that will appeal to each client. For example, the Retirement Income Styles Awareness (RISA®) questionnaire can help you determine a client's top retirement-planning priorities.
- **Develop a planning strategy.** Present the options and data-based reasoning to clients. You may have a professional recommendation already in mind, but it's important for clients to know they have agency in the decision-making process.

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For more in-depth information about retirement-income styles, Pacific Life has collaborated with Wade D. Pfau, PhD, CFA, and RICP®, to discuss these points and how they function in retirement planning. In his upcoming white paper, he shares some of his extensive research about utilizing retirement-income styles and discusses how they can make all the difference in whether a client sticks to a plan.

[Take Steps Today to Learn Your Clients' Retirement-Income Styles](#)

Hopefully, you're inspired to reach out to clients to discover their individual retirement income style preferences and match their styles to their plans. Truly personalizing your service may improve client outcomes, provide a launching pad for deeper client discussions, and add an impactful tool to your planning strategies.

[Additional Resources and Links](#)

[Social Security Benefits](#)

Actions You Can Take Right Now

- Reach out to the Retirement Strategies Group to request the Retirement Income Style Awareness (RISA®) tool assessment.
- Identify whether your clients' income styles match their current retirement plans.
- Check back for the white paper and the executive summary.

For more information about retirement planning,
please contact our Retirement Strategies Group at
RSG@PacificLife.com or (800) 722-2333, ext. 3939.

PacificLife.com

RISA was developed by Wade Pfau and Alex Murguia. They are not employees of, nor affiliated with, Pacific Life.

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