

MAILBOX MONEY[®] FOR LIFE



BY
TONY WALKER



*Tony on his TV show,
The Worry Free Retirement®*

One of the greatest fears of hard-working Savers is going broke in retirement.

For more than 30 years, fiduciary, four-time author and long-standing Television and Radio host, Tony Walker has provided an easy solution to this age-old problem... **Mailbox Money®** for Life.

With the risk and uncertainty that comes with investing in Wall Street, the thought of 401(k)'s becoming 201(k)'s (remember 2008?) and banks paying next to nothing in interest, no wonder folks are so worried about running out of money in retirement. But no worries, because today's Savers have a new option - Just like Tony's Granddad.

Learn why so many hard-working American's love their **Mailbox Money®** - and you can too!

After reading this booklet, you'll want to contact Tony by logging on to www.TonyWalkerFinancial.com or calling his offices at 1.877.499.9255.

There's never a cost to talk personally to Tony to see if **Mailbox Money®** is right for you and your specific situation.

MAILBOX MONEY[®] FOR LIFE

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[PREFACE]

Three very important events occurred in 1978. First, I graduated from high school. Second, my Granddad retired after 43 years of working for the same company. Third, the government passed into law the Revenue Act of 1978, today known to millions of Americans as the 401(k).

We all can agree that my graduation from high school has nothing to do with your retirement, but those other two events certainly do. You see, in 1978, in exchange for all those many years of workforce loyalty, Granddad's employer provided him a guaranteed retirement income he could never outlive. His employer called it a pension, but Granddad always called it **Mailbox Money®**.

On the other hand, because of the introduction of the 401(k) in 1978, Americans are finding out more and more often that their retirement picture is missing something – guaranteed lifetime income, **Mailbox Money®**.

While the 401(k) is a wonderful savings tool, it's an unpredictable income tool. Not only is your money tied up prior to normal retirement years, but Wall Street makes out like bandits each year by taking fees from your account. Add in the hidden "Tax Tumor™" buried within your 401(k) [That's the amount of taxes Uncle Sam will take from your 401(k) when you begin receiving income from it], and you've got a recipe for uncertainty and a lack of security – and, yes, NO **Mailbox Money®** for Life.

Tony

SAY HELLO TO MAILBOX MONEY®

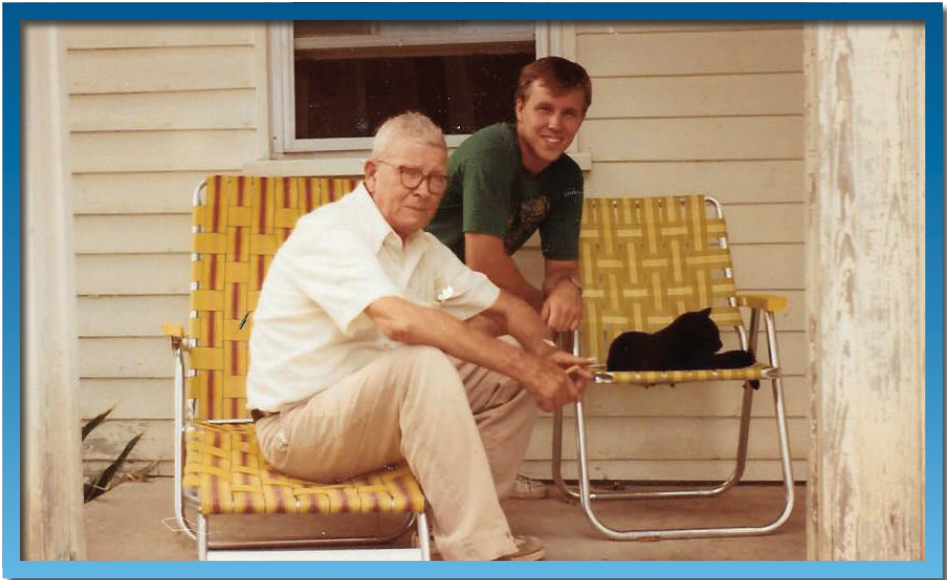
GOODBYE TO RISK AND UNCERTAINTY

Divorce is commonplace today, but in 1970, when my parents divorced, it was a rarity.

So I was a ten-year-old kid growing up in Lexington, Kentucky. My father was somewhat out of the picture. I needed a father figure. I was in luck: My Granddad was just minutes away in a sleepy little community called Troy, where I chose to spend a lot of my time with Granddad.

Troy was a quaint, no-frills community. Granddad, along with his loving wife, Hazel, and son, Eddie, lived a very basic life. Their house was modest and comfortable, serving their needs for the remaining years of their lives. No thought of ever moving or downsizing. Since granddad could fix anything, he never spent money on hired help. Cars? He kept them until the wheels practically fell off. Gadgets and gizmos? Not in that era. No cable TV, no internet, no cell phones – and as a former phone company employee he got free long-distance. Granddad's monthly expenses were low, fixed and predictable. Life had long ago taught him to keep it simple and spend less than he made. And of course, Granddad would never use a credit card, seldom traveled, and hardly ever went out to eat (except of course for his weekly spree at Long John Silver's, digging into a \$3.00 plate of fish and chips.)

Life was easy for Granddad and Hazel, and so was his decision in 1978 to call it quits from his life-long employer, BellSouth.



Tony on the porch with Granddad shortly after his retirement in 1978.

Following my 18th birthday, I witnessed a scene that still shines in my imagination like it just happened yesterday: Granddad casually walked through the front door after work – something he had routinely done thousands of times before – and then announced in his low-key manner, “Hazel, I think I’m going to retire.”

Now keep in mind, for the first 18 years of my life, I had never been around anyone who had retired. I didn’t know what that word “retirement” meant, nor what it looked like. I soon found out that it meant that Granddad, two weeks later, would come home from work one evening with a clock and a license plate that said, “I is Retired,” and never go back to the job again.

Ever!

Granddad retired without the help of a financial advisor (which is what I became when I grew up). That’s because he didn’t need one.



Back then, most hard-working Americans had money in savings and in their pension, and that was about it. They didn’t need an advisor. Why would they? People could put their faith and trust in their employer-sponsored pension plans and Social Security. (In 1978, Social Security had no intentions of running out of money.)

So what happened to pension plans?

The table below illustrates this point. It shows the exodus of employers moving away from providing expensive pensions – the source of my Granddad’s **Mailbox Money**® – and shifting toward the “non-guaranteed” retirement plan known as the 401(k).

Worse yet, notice below that as the number of pension plans decreased, the number of 401(k) plans increased and so too the tremendous amount of money that began to flow onto Wall Street. Notice the corresponding growth of the mutual fund industry. It reveals a disturbing trend – Savers moving away from a world of guaranteed income to a new world of risk and uncertainty.

And here’s the moral to this story: Unlike Granddad, who retired with his predictable, guaranteed **Mailbox Money**® for life, today’s hard-working American is faced with the daunting task of trying not to run out of money when they retire. That’s because the 401(k), which Wall Street has convinced them is the Holy Grail of retirement, is in many cases really nothing more than a basket of risky investments with no guarantees whatsoever.

Year	Number of Pensions	Number of Defined Contribution Plans (401K, etc.)	Amount* Invested in Mutual Funds
1980	148,096	10	134 Billion
1990	113,062	97,614	1 Trillion
2000	48,773	348,053	7 Trillion
2007	48,982	490,917	12 Trillion
2013	44,163	636,991	15.2 Trillion

**Numbers are based on approximates*

Sources: Private Pension Plan Bulletin Historical Tables and Graphs. US Department of Labor, Employee Benefits Security Administration. Sept. 2015. 2009 Investment Company Fact Book 49th Edition. By The Investment Company Institute. Copyright 2009. 2015 Investment Company Fact Book. By The Investment Company Institute. Copyright 2015.

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HOW DO YOU DEFINE MAILBOX MONEY?[®]

Mailbox Money[®] relies on the contractual guarantees of annuities – not chance. The folks who calculate the amount of money you receive are called actuaries. These are not the high-rollers on Wall Street nor the three-piece-suit folks at the bank. No, these are simply people trained in the management of risk and the creation of a strong, predictable return of your money. Actuaries are employed by insurance companies – the only institutions with the ability to produce **Mailbox Money[®]**. Actuaries immerse themselves in the science of knowing how long people are likely to live, what investment returns can be safely assumed, what expenses will likely be incurred over time by institutions making these promises, and how to make sure that their clients don't run out of money.

In most cases, **Mailbox Money[®]** begins after a certain period of time and is determined by factors such as the interest rate earned on investments, and the life expectancy (their fancy way of saying when they think you're going to croak) of the person who is to receive the **Mailbox Money[®]**. For well over one hundred years, in fact ever since veterans of the Civil War began to receive their pensions, Americans have relied on this type of income instrument, known to those who provide them as Annuities.

{By the way, the next time you hear someone from Wall Street telling you how much they hate annuities, ask them to sign over their pension and Social Security to you, because pensions and Social Security are technically just that – Annuities}

So, let's define the term Annuity:

Annuities ARE CONTRACTS

ISSUED BY **INSURANCE** COMPANIES,

WHEREBY THE COMPANY AGREES TO CERTAIN

TERMS OR CONDITIONS IN EXCHANGE FOR THE

ANNUITANT (THE PERSON WHO IS

APPLYING FOR THE ANNUITY) GIVING TO THE

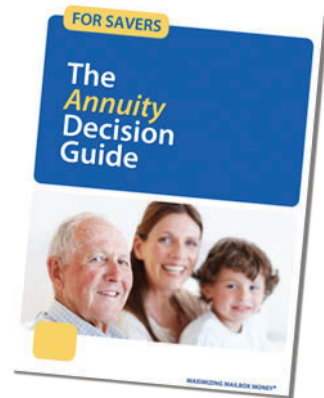
COMPANY A **PREMIUM** IN EXCHANGE FOR

MONTHLY PAYMENTS TO THE

ANNUITANT FOR SOMETHING

TONY REFERS TO AS

Mailbox Money®



While there are hundreds of different annuities to choose from, when you boil it down, there are really only four categories of annuities that can offer **Mailbox Money**®; Fixed Interest, Fixed Indexed, Variable and Immediate. Rather than spending time here and now on precisely defining them, I suggest that you download my *Annuity Decision Guide for Savers*. Just log onto www.TonyWalkerFinancial.com for your free copy. We'll be happy to answer any further questions you might have about annuities and which type may be right for you.

FOLLOW THE MONEY

Granddad's employer offered him **Mailbox Money**[®]. How come your employer doesn't?

Money!

As a financial advisor with over 30 years in the professional trenches, I've learned that whenever you need to explain something that seems strange on the surface, you simply have to "follow the money."

As discussed earlier, in the case of the employer-sponsored pension plan, the introduction of the 401(k) plan in 1978 gave employers an excuse to dump their expensive pension plans and transfer the risk (and the cost) over to Joe Lunchbox. Employer-sponsored pension plans force companies to tie up millions of dollars – money they would rather access for expansion, research and development, and the satisfaction of their stockholders.

The transfer of risk from the guaranteed pension plan to the unpredictable 401(k) also benefited another major player in the world of money – Wall Street.

In 1978, very few Americans (the folks on Main Street) trusted Wall Street. Assuming folks back then could choose between guaranteed lifetime income offered by a pension plan vs. the risk and uncertainty offered by a 401(k), the vast majority would have chosen to go with the sure thing: the pension. This premise is validated in a wonderful book called *The Intelligent Investor* by Benjamin Graham.

For example: Granddad never owned a stock or mutual fund. Didn't need to. He knew he had guaranteed **Mailbox Money**® from his pension and social security. Why risk his hard-earned money when he didn't have to?

Today, millions upon millions of hard-working Americans believe they have no choice but to blindly throw their life savings into 401(k) plans. The result – trillions (that's trillions with a capital T) of dollars being set aside for the needs of retiring workers is currently "managed" (controlled is a better description) by folks on Wall Street. Not millions, or even billions, but trillions.

Those trillions of dollars tied up in 401(k) plans generate a bonanza of fees, happily siphoned off each year by Wall Streeters. You take all the risk, they get control of all the money, and a steady rake-off to boot. In fact, they get to charge fees on 100% of your account for as long as they control your money. That's money that is not all yours considering that some of your 401(k) is ultimately subject to the infamous "Tax Tumor™". See the "Tax Tumor™" graph on page 9.

Add insult to injury, this deal of charging fees on some of your money you'll never see, is perfectly legal and highly touted by the many financial pundits who keep telling us to "max-out" our 401(k) plans.

Assuming the vast majority of Americans would consider annuities (remember, annuities are the only financial product providing **Mailbox Money**®) as an option within their 401(k), why doesn't Wall Street simply offer annuities as one of the many options contained within the plan?

The reason is perfectly simple: Because they would rather sit back and earn recurring fees from mutual funds and other securities. In other words, they aren't going to sell something (like Fixed Interest and Fixed Indexed Annuities) if they can't charge recurring fees on them.

Like I said, you want to figure out why financial institutions sell what they sell? Follow the money...

Annuities, particularly the “fixed interest” and “fixed indexed” variety currently loved by *Savers*, do not pay recurring fees to the agents selling them. Wall Street is addicted to those recurring fees offered by the investments they sell inside the 401(k) plan. Fixed annuities are underwritten by insurance companies, not Wall Street. Wall Street and insurance companies are two competing forces, each with their own angle on what they are trying to accomplish with your money. Wall Street believes that every red-blooded American wants to grow their money (which means more risk). Wall Street caters to investors, not *Savers*. Insurance companies feel Americans want the guaranteed income that only annuities can provide.

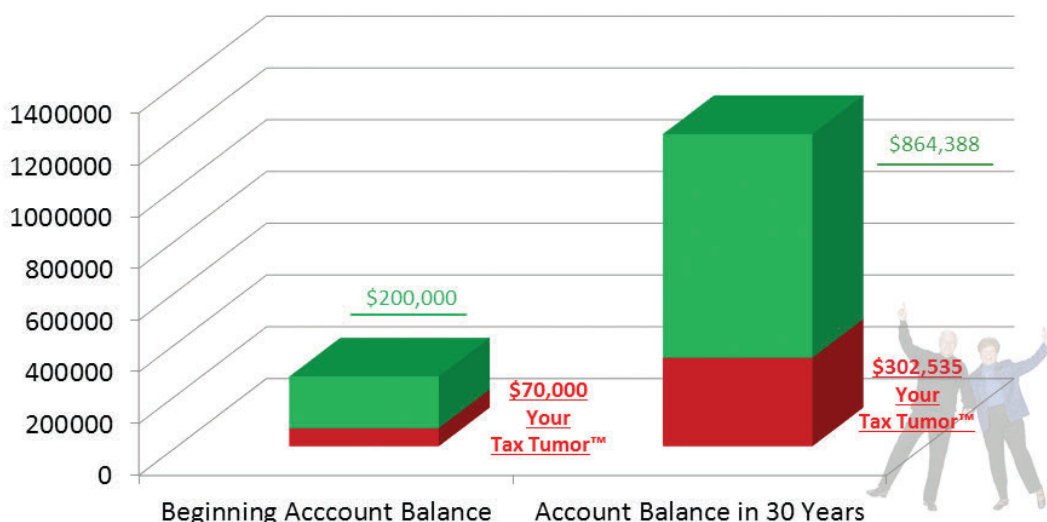
Both Wall Street and annuities have their place. In fact, as a fiduciary, I often suggest *Savers* consider investing in both worlds. However, this dual-strategy option is not available in most 401(k) plans.

So enough already – let’s find out how you too can get some of that **Mailbox Money®**, just like my very happy Granddad.

How Big is Your Tax Tumor™?

\$200,000 IRA growing at 5% for 30 years

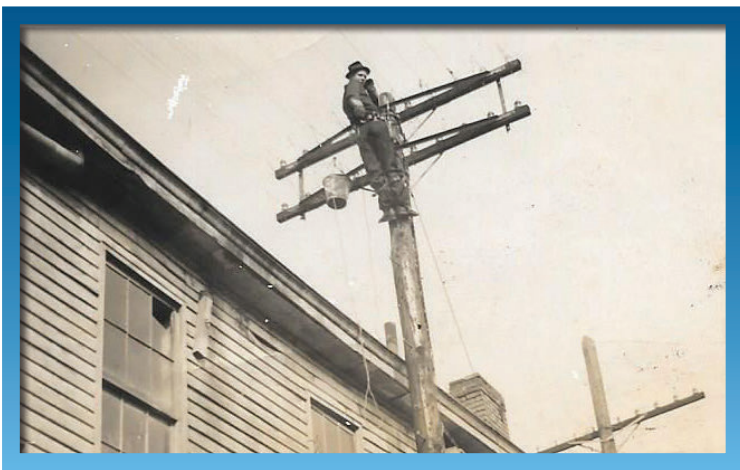
*Tax Tumor™ includes 30% federal and 5% state income taxes



IN ORDER TO TALK ABOUT MAILBOX MONEY®, YOU HAVE TO TALK ABOUT GUARANTEES

Soon after handing my Granddad his first full-time job, back in 1932, the phone company said they hoped he would stay with them for the rest of his working life. In exchange for his loyalty, they promised to stand by him financially for the rest of his life. This promise was backed by the company-sponsored pension, otherwise known as an annuity.

In 1978, pensions were still very common. As we have discussed, in 1980 there were some 148,096 employers offering **Mailbox Money®** (pensions) for their employees. For those employees, pensions were a godsend. But for employers they were an expense that was getting out of control. People were living longer and longer, and employers were finding it more and more difficult to continue to deliver that guaranteed income to all of their retirees. They needed an alternative to saving for retirement – one that would take more pressure off their back and put it on the backs of their employees. The 401(k) accomplished this objective. As a result, as of 2013, the number of pension plans has dwindled to 44,163, while the number of “non-guaranteed” 401(k) plans has skyrocketed to 636,991.



Granddad climbing telephone poles for a living.

The winners include employers who no longer offer expensive pension plans, and Wall Street, which got to tie up all that money in the 401(k)s. In return, the employees receive NO **Mailbox Money®**.

I remember so clearly the afternoons me and Granddad drove his 1962 Volkswagen Beetle to his mailbox, mounted on a wooden post along the county highway. He'd pop open the lid, shuffle through the envelopes, and then break out in a smile. That's because each and every month – like clock-work – Granddad received two very important checks: his pension check and his Social Security check. His ever-dependable, always trustworthy **Mailbox Money®**.



Granddad's 1962 VW Beetle, that he would later give to Tony .

Picture this: You've worked hard all your life and now you can see the light at the end of the tunnel: Retirement. After perhaps four decades and more time spent in the work force you have reviewed your assets, calculated how much you will need to live on each month (after taxes) and ta-da, you've been told by your stockbroker or 401(k) representative that YOU can now retire, never to worry about money again. Immediately following this good news and just about the time you've finished two back flips toward the exit, you turn to ask the broker a quick parting question: "So, is there any chance that I could possibly run out of money someday?"

To which the broker smiles and replies, "Don't worry. If the stock market crashes during your retirement, just hang in there and wait. Historically, it has always come back."

"If the stock market crashes?" You repeat in a perplexed voice.

"Hang in there?" Are you saying that this isn't guaranteed? That I could one day run out of money? That I still might have to go back to work one day?"

To which the 401(k) representative nods in the affirmative.

Folks, here's the reality when it comes to retirement and NOT running out of money. While many advisors on Wall Street tend to hate annuities (because they don't sell them and can't earn recurring annual fees on them, like they do securities), they cannot argue with the facts: **Annuities are the only contractual investments that offer guaranteed income for the rest of your life.**

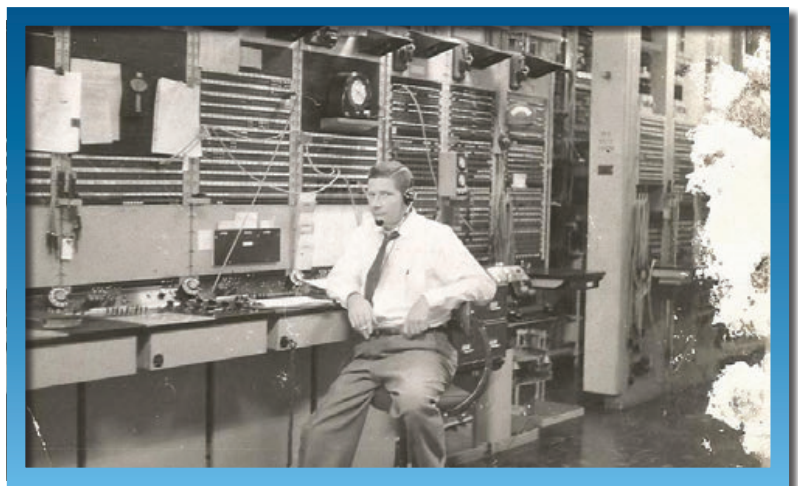
Period!

So, let's review the above with this brief pop quiz. It's comprised of just one question.

Q: Of the four investments listed below, which investment is guaranteed to provide **Mailbox Money**® (guaranteed income) for life?

- A) Stocks
- B) Mutual Funds
- C) Bank CDs
- D) Annuities

The Correct Answer: D



Granddad working inside the engineering room at BellSouth in the 1960's

INDEPENDENCE AND THE THREE OPTIONS

Based on more than three decades in the financial trenches, the one thing I've heard loud and clear from thousands of face-to-face meetings with *Savers* is this: They hate the thought of going broke in retirement.

In fact, the very thought of investing in something that does not provide for guaranteed lifetime income absolutely goes against their grain. *Savers*, like my Granddad, love the concept of **Mailbox Money**[®] because the thought of outlasting their money and having to go back to work and/or depend on kids to take care of them in their "golden years" is downright awful! For *Savers*, the whole point is in being I-N-D-E-P-E-N-D-E-N-T!

So why is it that those who offer up ideas for investing your hard-earned savings are so quick to put it at risk? Why do many advisors hate the concept of **Mailbox Money**[®] (annuities)? To understand why Wall-Streeters hate annuities, one must only look to how representatives on Wall Street make money on your money – annual recurring fees – something that annuities will never pay them.

You see, in the vast majority of cases annuities only pay the agent selling them a one-time commission. In other words, it's "one-and-done" in terms of the representative's compensation.

Let's take a look at the chart on the next page.

WHY TAKE RISK WHEN YOU DON'T HAVE TO?

\$100,000 ACCOUNT

Option 1: Wall Street

Option 2: Fixed Indexed Annuity

End of Year	Rate of Return	Gross Balance	Fees at 2.4%	Net Balance	End of Year	Par. Rate	Actual Rate of Return	Net Balance	Fees
1	+20%	\$120,000	(2,880)	\$117,120	1	40%	8%	\$108,000	0%
2	+20%	\$140,544	(3,373)	\$137,171	2	40%	8%	\$116,640	0%
3	-20%	\$109,737	(2,643)	\$107,103	3	40%	0%	\$116,640	0%

Totaling
\$8,896

Let's examine two options for your money. Assuming you had \$100,000 to invest, you could either hand it over to an advisor with Wall Street who, in this example, charges 2.4% (his or her fee plus the fund's expenses); or you could invest it in a Fixed Indexed Annuity (assuming no fees, yet a one-time commission paid to the agent) that comes with an annual participation rate of 40%. In this example, the stock market can provide great returns of 20% in years one and two, but in year three loses 20%. So, as you can see, after three years of ups and downs in the stock market, you've taken all the risk and made \$7,103 on your initial investment. Wall Street? With no skin in the game (remember, this is your money we're talking about) they still manage to make a whopping \$8,896 in fees over that same period. In other words, they made more money on your money over this three-year period than you did!

Meanwhile, let's look at Option 2 over this same period of time. Since the insurance company issuing the indexed annuity pays the agent a one-time commission rather than recurring fees, no money is siphoned from your account - no fees or commissions*, meaning 100% of your money is working for you. At the end of the three-year period, your account value in this example would have grown by over \$16,000! Now that's what I call, **Sleep Insurance!**®

Disclaimer: The above calculation assumes interest is credited at the end of the year and fees deducted by Wall Street at end of the year. The above is conceptual and for illustrative purposes. See Tony Walker for complete details before making a decision on any investment or annuity.

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In essence, since the agent selling the annuity is paid a one-time-commission by the insurance company issuing the contract, you will not pay anything out-of-pocket to purchase the annuity. Of course, should you decide to liquidate the annuity prior to the end of the term, you would then be assessed a penalty by the company (see my *Annuity Guide for Savers* for further details about surrender charges).

This is why many people who provide retirement planning to Savers miss the mark. These advisors – many of whom are Wall Street-trained advisors – assume that everyone is essentially comfortable risking their money. (To learn more about your financial personality, take my free personality profile at www.3personalities.com).

The number one mistake that many Savers make is working with advisors who do not share their own risk-averse values and cautious outlook about investment.

So, let's say you are a 60 year old individual who is a Saver and your primary goal is NOT running out of money in retirement. Let's take a look at the three main suggestions offered up to retirees. Remember, there is no one-size-fits all here; however, one or a combination of the three might be appropriate:

- 1) Invest in the safety of bank CD's (which as of the date of this booklet, are in the 1% - 2% range).
- 2) Take the money to Wall Street and invest in a moderate-risk, diversified portfolio of mutual funds – which, when you factor in fees charged by them to manage money, asset allocation (which dilutes your return) and the assumption of some losses over time will hopefully yield a net return of 4%, pulling out dividends to live on or spending down the principal for as long as the account may last based on assumed growth rates.
- 3) Put a percent of your money into a Fixed Interest or Fixed Indexed Annuity.

**Note that many indexed annuities do in fact charge fees. Be sure to order our Free Annuity Decision Guide for Savers to understand the different types of annuities and which ones charge fees and a better understanding of commissions paid to agents who sell annuities*

WHAT HAPPENS TO MY MAILBOX MONEY[®] WHEN I DIE?

One of the biggest misconceptions regarding annuities and the **Mailbox Money[®]** they create is the incorrect belief that the **Mailbox Money[®]** will cease to be paid to your loved ones after you leave this world.

It is true that the longer you live and enjoy your **Mailbox Money[®]**, the less of it will be left over for your heirs. If you happen to live an exceptionally long time, there's a possibility that they won't get anything – or perhaps very little. But it is also true that if you should pass on sooner than expected, and therefore only draw on your **Mailbox Money[®]** for a few years, your heirs may wind up with quite a sizable amount. The only way to learn the truth about annuity death benefits is to sit down with us to see how annuities work. In other words, "your mileage may vary," but the full extent of your **Mailbox Money[®]** will be paid out – either directly to you, or partly to you and the rest to the folks you love.

Below is a blank worksheet we sometimes use to explain the difference between the contract value and the income account value...something most advisors appear to avoid discussing or not understand. We can help you make sense of annuities!

After Year	Surrender Value "Guaranteed Worst Case"	Contract Value "Assumed Returned" 2% (net of fees)	Income Account Value "Guaranteed Best Case" 6%	Guaranteed Annual Income for Life Mailbox Money [®]
1	\$90,000	\$102,000	\$106,000	\$4,900
5	\$94,000	\$112,616	\$133,824	\$6,959
10	\$98,000	\$126,824	\$179,085	\$10,207

If you cancel the contract...	☒	☐	☐
Upon death or 10% penalty-free withdrawal	☐	☒	☐
If income is elected...	☐	☐	☒

The chart above is conceptual in nature. Actual values will vary.

WHO CAN TAKE ADVANTAGE OF MAILBOX MONEY® ?

Assuming you are under the age of 85*, and can still fog a mirror, you too can take advantage of **Mailbox Money**®. That's because just about any source of funds can be placed into an annuity - the only investment capable of creating guaranteed income for life. Below is a list of investments and/or situations that fit the bill.

Please check all that apply to you and then contact us to take advantage of our offer for a free consultation to learn which annuity is right for you.

- ☐ 401(k) ROLLOVER
- ☐ IRA'S
- ☐ LOW-INTEREST MONEY AT THE BANK
- ☐ LUMP SUM PENSION
- ☐ 403(b)
- ☐ THRIFT SAVINGS PLAN
- ☐ INHERITANCE
- ☐ OLDER/OUTDATED ANNUITY
- ☐ MONTHLY PAYMENTS INTO THE ANNUITY
FROM YOUR SAVINGS OR CHECKING

**While annuities can be issued over the age of 85, it has been our experience that the returns are not as competitive once an individual enters this age range.*



*Tony's Granddad in
1932 at the age of 18.
To Granddad's left is his Granddad.*

In 1932, right after his graduation from high school, Tony's Granddad went to work with Bell South. The Depression was in full swing, and he wasn't going to scorn a steady job climbing telephone poles! Granddad would end up staying with the phone company for the rest of his working years,

retiring in 1978. BellSouth had promised Granddad a very important benefit for his many years of service: A guaranteed income in retirement he could never outlive. The company referred to this guaranteed income as a pension plan. Granddad simply called it **Mailbox Money®**.

In 1932, company pension plans were a welcome innovation. Today they have all but disappeared. With banks today paying next to nothing in the way of interest, and Wall Street putting Savers' money at risk, Savers are left with this uncertainty: How can they possibly make their money last as long as they do? No wonder the biggest fear facing Americans is going broke in retirement.

To learn more about **Mailbox Money®** for Life, visit

www.TonyWalkerFinancial.com

or call

1.877.499.9255

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