CoverDad

A COVERDAD PLANNING GUIDE

RETIREMENT INCOME

Will your money last as long as you do?

Two quiet risks decide whether your savings become a paycheck for life: living longer than you planned, and a bad market at the wrong time. Here's how they work — and how to defend against them.

~30 yrs how long a retirement starting at 65 can easily last	**$57,750** gap between two identical portfolios after 3 years — from timing alone	**First 5** yrs the window around retirement when a downturn does the most damage

Protect what matters. In minutes, not weeks.

getcoverdad.com/covergrowth

Lasa Links Insurance, Inc. DBA CoverDad · A licensed insurance agency

RISK #1

You may live longer than you're planning for

It sounds like good news — and it is. But a longer life means more years your savings have to cover. Most people quietly plan around "average" life expectancy, and that's exactly where the trap is.

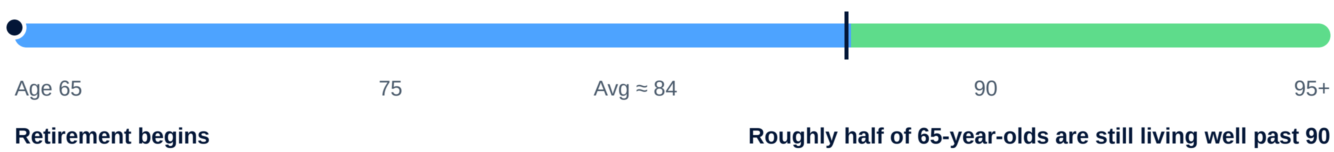
83
average age a man reaching 65 lives to[1]

86
average age a woman reaching 65 lives to[1]

½
of people will live *longer* than average — that's what "average" means

A 65-YEAR-OLD'S RUNWAY

Plan for the second half of the curve



The "average" trap

Building a plan that runs out at life expectancy means building a plan that runs out **right when half of people are still alive.** And for a married couple it's worse: the odds that **at least one spouse** lives deep into their 90s are higher than for either person alone — so the household paycheck may need to last 30 years or more.

Why this hits dads specifically

If you're the one whose income (or pension, or Social Security) anchors the household, your plan isn't just about *your* years — it's about the years your spouse or partner keeps living after you. Longevity risk is really a "will there still be a paycheck?" question for the people you're providing for.

RISK #2

A bad market at the wrong time

Here's the part almost nobody plans for. Once you're *withdrawing* from your savings, the **order** your returns arrive in matters as much as the average. A big loss in the first few years of retirement can do permanent damage — even if the market fully recovers later.

The counterintuitive part

While you're **saving**, the order of your returns doesn't change your ending balance at all — good years and bad years in any order land in the same place. It's only when you start **spending** that order becomes everything. Selling shares during a downturn locks in the loss and leaves less money to recover on the rebound.

SAME RETURNS, OPPOSITE ORDER — AN ILLUSTRATION

Two retirees, $1,000,000 each, withdrawing $50,000 a year

YEAR	RETIREE A — DOWN YEAR FIRST		RETIREE B — DOWN YEAR LAST	
	Return	Balance	Return	Balance
Start	—	$1,000,000	—	$1,000,000
Year 1	−30%	$650,000	+25%	$1,200,000
Year 2	+10%	$665,000	+10%	$1,270,000
Year 3	+25%	$781,250	−30%	$839,000
After 3 yrs	$781,250		$839,000	

Hypothetical, for illustration only. Both retirees earn the exact same three returns and take the same withdrawals — only the order differs.[2]

$57,750 apart in just 3 years

Same money in. Same returns. Same withdrawals. The **only** difference was which year the downturn landed — and the gap widens every year that follows. Stretch that over a 25–30 year retirement and it's the difference between money left over and running out early.

THE FRAGILE DECADE

When the two risks collide

Longevity and sequence risk aren't separate problems — they multiply each other. The roughly five years *before* and five years *after* you retire are the danger zone: your savings are at their largest, you're about to start (or just started) withdrawing, and a longer life means decades are riding on how those few years go.

WHAT MAKES IT DANGEROUS

A loss you can't wait out

While you're working, a market crash is almost an opportunity — you keep buying and wait for the rebound. The moment you retire and start withdrawing, that same crash forces you to **sell while prices are low**, and a longer retirement gives that early damage decades to compound.

THE MATH OF RECOVERY

Why down years cut deep

A portfolio that falls **30%** needs a **43%** gain just to get back to even — and that's before you subtract a single dollar of income. Take withdrawals on top, and "back to even" moves even further out of reach.

COMMON MISSTEPS

Four ways plans get caught off guard

- ✕ **Planning only to "life expectancy."** That's a coin-flip to run out on time — half of people live longer.
- ✕ **Assuming a steady "average" return.** Real markets don't deliver the average in a straight line — the bumps are the risk.
- ✕ **Keeping the whole nest egg market-exposed.** With no stable source to spend from, every withdrawal in a downturn sells at a loss.
- ✕ **Panic-selling in the first bad year.** The most damaging move of all — turning a paper loss into a permanent one.

The good news

Both risks are well understood, and both are defensible. You can't control when the market drops or how long you'll live — but you **can** build a plan that doesn't depend on getting lucky with either. That's the next page.

YOUR DEFENSE

Building a paycheck that lasts

The goal shifts in retirement — from growing the biggest number to turning that number into income that survives long life *and* bad timing. Five moves do most of the work.

1

Build an income floor

Cover your **essential** expenses with income that doesn't depend on the market — Social Security (worth more if you delay it) and, if it fits, guaranteed income from an annuity. When the basics are safe, a market drop is a headline, not an emergency.

2

Keep a cash buffer

Hold roughly **1–3 years** of spending in cash or short-term bonds. In a down year you spend from the buffer instead of selling investments at a loss — giving the market time to recover.

3

Add a buffer asset

The **cash value** in a permanent life insurance policy can be a second source to draw from in down years instead of selling investments — and it still leaves a death benefit for your family. One asset, two jobs.

4

Spend flexibly

Trim withdrawals a little in bad years and take more in good ones. This **dynamic** approach eases the pressure on your portfolio exactly when sequence risk is biting hardest.

5

De-risk the fragile decade

As you approach retirement, dial back risk so a single bad year can't derail the whole plan — then let the growth engine run again once you're safely through the danger zone.

The through-line

Every move does the same thing: it makes sure you're **never forced to sell at the bottom** to eat. Guarantees and buffers handle the "what if it drops" and the "what if I live to 95" at the same time — which is exactly how longevity and sequence risk get solved together.

CoverDad

WHERE COVERDAD COMES IN

Turn your savings into a paycheck that lasts

CoverDad is the insurance home for dads. We'll help you understand how guarantees, buffers, and growth fit together for *your* situation — start online, or talk to a licensed agent. Your call.

1

Know your number

Get clear on the income you'll need and how long it may have to last.

2

Build the income plan

A licensed CoverDad agent maps an income floor, buffers, and growth to your goals.

3

Put it to work

Combine guarantees and growth so long life and bad timing are both covered.

Ready to stress-test your retirement?

Have a real conversation about making your money last with someone who does this for a living — and who's a dad, too.

Talk to a licensed CoverDad agent →

getcoverdad.com/covergrowth · help@getcoverdad.com

IMPORTANT DISCLOSURES

General education. CoverDad is a brand of Lasa Links Insurance, Inc., a licensed insurance agency. This guide is general educational information only. It is not investment, financial, tax, or legal advice, and is not a recommendation to buy, sell, or hold any product or security. Product and strategy availability vary by state. We do not guarantee any rate of return, income amount, or outcome. When you purchase coverage through us, we may receive a commission. Consult a qualified financial and tax professional about your specific situation.

About the illustration. The two-retiree example is hypothetical and for illustrative purposes only. It uses assumed, simplified annual returns and level $50,000 withdrawals, and it ignores taxes, fees, and inflation. It is not a projection or guarantee of the performance of any specific investment or product. Investing involves risk, including possible loss of principal; past performance does not guarantee future results.

About annuities. Annuity guarantees are subject to the claims-paying ability of the issuing insurance company. Annuities may carry surrender charges, fees, and holding-period limitations, and are not bank deposits and not FDIC/NCUA insured. Guarantees do not apply to the value of variable investment options. Withdrawals may be taxable and, before age 59½, may be subject to an additional penalty.

About permanent life insurance cash value. Policy loans and withdrawals reduce the death benefit and available cash value, may cause the policy to lapse, and may result in a tax liability if the policy terminates. Availability and features vary by policy, carrier, and state.

Sources. [1] U.S. Social Security Administration, 2023 Period Life Table (life expectancy at age 65: 18.1 more years for men, 20.7 for women) — figures are averages. [2] Illustrative example prepared by CoverDad; figures are hypothetical.