Written by 'Layin' it on the line' By Lawrence Castillo Guest Columnist
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Think about it: Many people don't get defined pension plans from their employers anymore.

If anything, employers have reduced their 401(k) match, while employees contribute less to their 401(k).

What about Social Security? The IRS tells us a third of today's retirees get almost 90% of their social security income. This statistic is alarming; 1/3 of retirees are wards of the government and live off the fixed income from the government.

Additionally, we have another 1/3 of retirees who get 50% of their income from social security. People are retiring, and folks hitting the Social Security system are expected to get 55% of their income from it. So, what are the alternatives for income? Back in 2008, a $250,000 CD produced $1,000 a month in interest.

Today, this same CD produces $25 monthly.

Can that even buy a pair of shoes?

The *Wall Street Journal* tells us that people have exited the stock market in mass numbers. $138 billion has been removed from mutual funds since March 2009. At a time when traditional financial vehicles have come under fire, safe money annuities offer the perfect trisect: the guarantee of the funds, competitive interest rates, and guaranteed lifetime income (even if you live to be 113).

Buying gold and silver has always been an answer for falling currency rates. But it has still been tied to rumors, events, and speculation. The safe money fixed/indexed annuity effectively sidesteps such issues. Return of principal, income, diversification, and liquidity are peerless benefits only delivered by the fixed/indexed annuity.

So here are some talking points for the backyard fence, water cooler, or family reunion when people (well-intentioned) question the prudence of buying safe money fixed/indexed annuities.

First, safety is not an issue. 100% of all annuity funds must be backed up with 100% *"available"* assets. In other words, the fixed annuity company has its portfolio already in place to back contractual guarantees. Their cash flow originates with the general portfolio.

Conversely, other investments base their account values on sub-accounts consisting of stocks, bonds, and mutual funds. These kinds of accounts generate risk and fees.

Second, you can't lose it all. You don't have to be an investment genius or super disciplined with your annuity option. No matter how you go about it, managing investment money to provide income for 20 years or more requires expertise, commitment, and risk-taking.

Third, annuities deliver a level of efficiency that can't be duplicated by mutual funds, certificates of deposits, or any number of homegrown solutions.

The **challenges** facing social security and the decline of corporate pensions add up to a *"perfec t storm"* for retirees who might outlive their nest egg.

Lawrence Castillo is a member of *Syndicated Columnists*, a national organization committed to a fully transparent approach to money management.

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