



## The Four Pillars of U.S. Retirement

Prudential has developed the “Four Pillars of U.S. Retirement” as a framework to discuss how Americans will prepare for and live in retirement.

The Four Pillars have their origin in the traditional “three-legged stool” of retirement security: Social Security, Employment-Based Plans, and Personal Savings. To this, Prudential has added a fourth Pillar, Retirement Choices, to capture lifestyle and financial choices that are taking on greater significance given the changing nature of retirement in America. These choices are even more critical given the difficulties in the financial markets and larger economy that have significantly impacted retirement savings.

For most Americans, no one Pillar is sufficient to meet retirement income needs. To save and plan effectively for a secure retirement, individuals should consider all Four Pillars.

Social Security	Employment-Based Plans	Personal Savings	Retirement Choices
A social insurance program that provides retirement benefits as well as survivor and disability benefits.	Retirement plans available to individuals through their public, private, or not-for-profit employers, including: <ul style="list-style-type: none"> <li>• Defined Contribution plans, such as 401(k) and profit-sharing plans</li> <li>• Defined Benefit pension plans</li> <li>• Non-qualified and stock option plans</li> </ul>	Products and platforms for the individual investor, which can be used to supplement Social Security or employment-based plans. These include*: <ul style="list-style-type: none"> <li>• IRAs</li> <li>• Annuities</li> <li>• Bank deposits</li> <li>• Mutual funds</li> <li>• Individually held securities</li> </ul>	Lifestyle and financial choices that play a significant role in retirement security. <p>Lifestyle choices include:</p> <ul style="list-style-type: none"> <li>• When to start retirement</li> <li>• Whether to work in retirement</li> <li>• Where to live</li> </ul> <p>Financial choices include how to:</p> <ul style="list-style-type: none"> <li>• Allocate assets in retirement</li> <li>• Convert assets to income</li> <li>• Protect assets and income</li> </ul>

\* With the exception of bank deposits, products listed are not bank guaranteed/not FDIC insured/may lose value.

There are many investment and insurance products that can play a part in saving for retirement, generating retirement income, and protecting retirement assets. Several of these products are referenced in the Pillars above. While any given product is shown in only one Pillar, in practice, many of these products span multiple Pillars.



Prudential has prepared these materials to advance the discussion about the critical topic of preparing for retirement security and not to provide personalized advice. You should consult your financial services professional to help you develop a retirement security strategy that takes into consideration your personal situation.

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