



We the people...

Charting a **bold** new course

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FINANCIAL

Those three words that begin the Preamble to the nation's Constitution set a tone for an experiment in government that has endured to this day. The words convey that we are all in this together. Then and now... and as we head to tomorrow.

We live in a nation that has grown, by most standards, to be among the most powerful and prosperous on earth. From great advances in medical science and healthcare, to various social nets that seek to provide some measure of relief for those less fortunate, from a military that protects us abroad to a domestic infrastructure of roads, highways, bridges and tunnels that keeps us and our goods moving every day, we are fortunate to live in the U.S.

Yes, we are reminded on a daily basis we can do better. And we are aware that the success of this country has not come without challenges. Inherent in those are a series of financial challenges that one could argue are the price of success. And with good reason. Because advances in healthcare have led to people living longer, which has put greater strain on our social nets, which has put pressure on the government's ability to remain fiscally sound...

... Which ultimately affects your ability to plan for a sound financial future for you and yours. Let us take a look at some of the nation's financial challenges — some of the realities we face — and offer some initial thoughts as to how you can better plan for a future that includes a retirement you deserve.



The challenge to the challenges

Faced with these challenges, many Americans have unintentionally adopted the strategy “going broke safely.” Loosely translated, this means keeping a significant portion of your retirement money in “safe” investments such as bank certificates of deposit and money markets. While they are “safe” from market forces, their value may erode over time against the hidden forces of taxes and inflation. As of March 3, 2016 the aggregate rate on a one-year bank CD stood at 0.27%.*

*Bankrate.com

The road to retirement is a long journey. It's important to consider:

- Short-term decisions that lead to long-term financial mediocrity.
- Retirement that leaves you wanting for more while living on less.
- Planning that accounts for the expected while ignoring the potential for the unexpected.

Did you know:

- Only 48% of workers report they and/or their spouse have tried to calculate how much money they will need to have saved by the time they retire.**
- At an annual inflation rate of 3%, expenses could more than double in 25 years.

**According to the Employee Benefit Research Institute, Retirement Confidence Survey, March 2015

Because Americans are living longer, it's important to consider how you will deal with a potentially lengthy retirement. A financial professional who works with the Voya® family of companies can help you with this.

Accumulate and protect

By year-end 2013, millions of individuals owned an Individual Retirement Account, annuity product, life insurance policy or were covered by one or more employee benefits offered through one of the Voya family of companies.

Voya has some thoughts on how you can better plan for that retirement you deserve while knowing that the unexpected too often rears its ugly head. Review the ideas with your

financial professional. Ask good questions. Learn as much as you can. Then you may be better equipped to manage the financial realities many Americans face and the financial challenges we need to overcome.

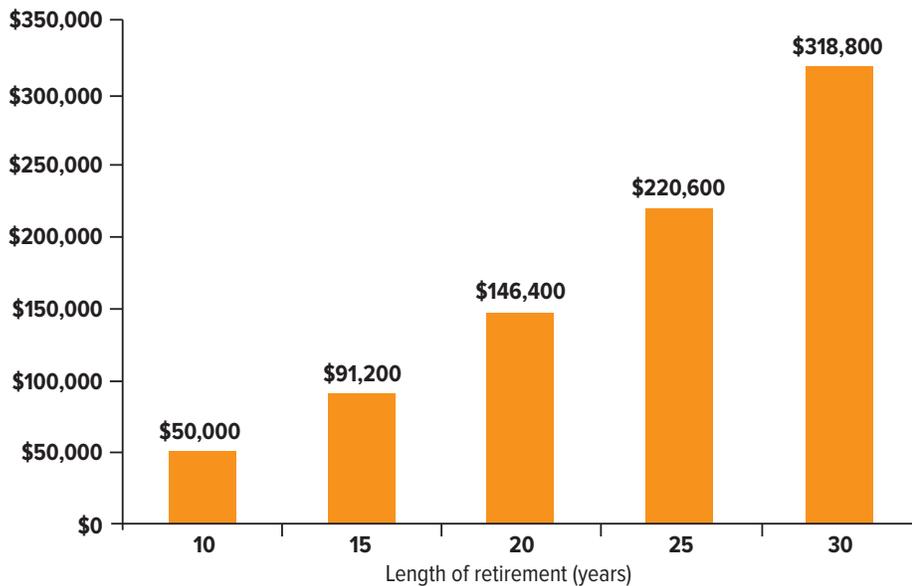
The Voya family of companies have products that offer the potential to build supplemental retirement income plus have strategies designed to help protect it.

It's time for you to chart that **bold** new course.

The realities we face.

The **healthcare** challenge

Advances in medical research and technology have helped to create one of the world's most modern healthcare systems. As the dialogue for how to pay for it all plays across the front pages of our newspapers and over the network airwaves, one thing is certain: as the chart notes, we will pay more and more for our healthcare costs.

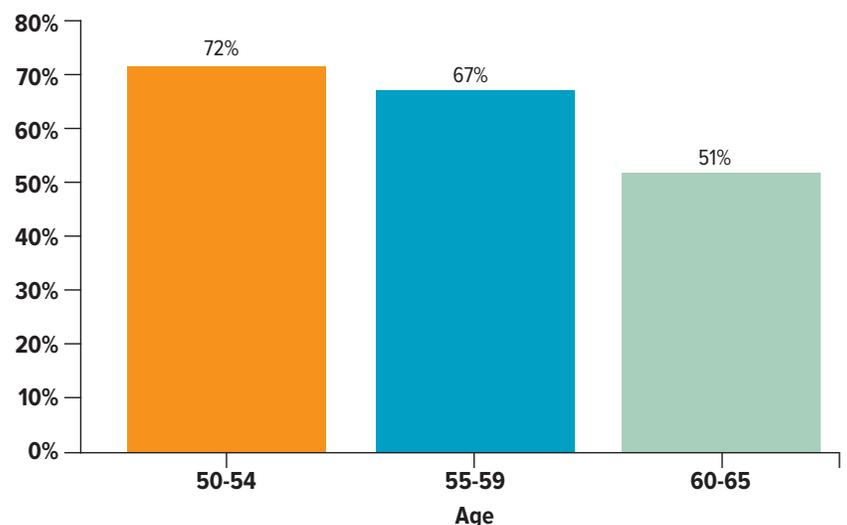


Retirement health care expenses if retirement lasts.

Source: Yamamoto, D.H. (2013). Health Care Costs: From Birth to Death. Health Care Cost Institute Report. Estimates assume retirement starts at age 65 and include uninsured out-of-pocket health care costs and Medicare and any other insurance premiums. Estimates exclude long-term care costs. <http://cdn1.valuwalk.com/wp-content/uploads/2014/09/Happy-retirement-health-care-cost.jpg>

Young boomers most concerned about medical costs in retirement

Source: Health Care Expenses and Retirement Income: How Escalating Costs Impact Retirement Savings," IRI

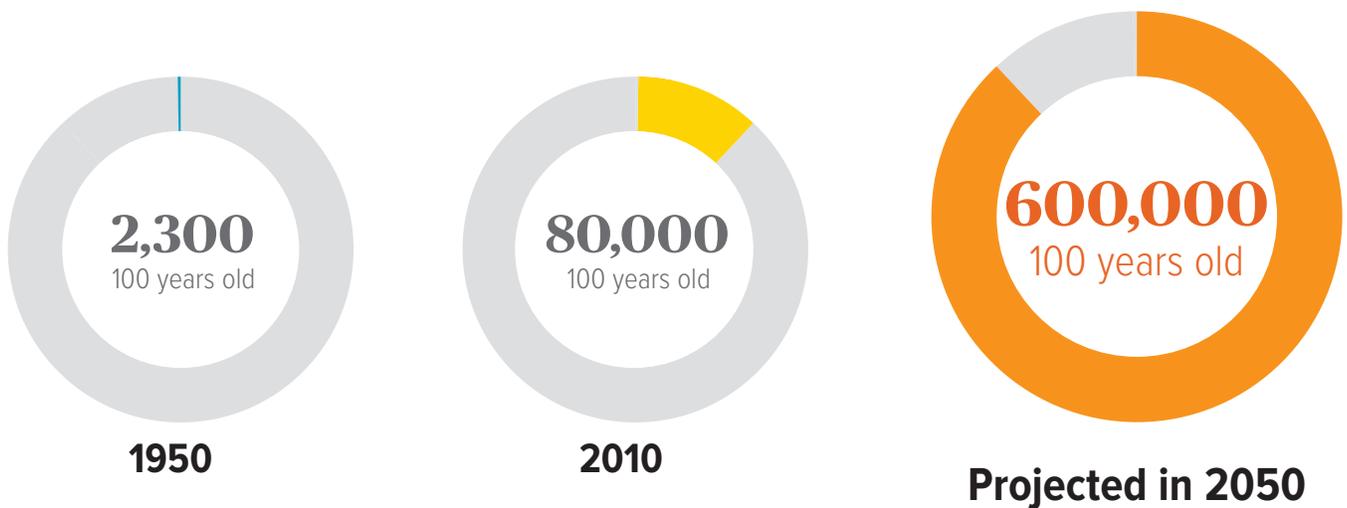


The **longevity** challenge

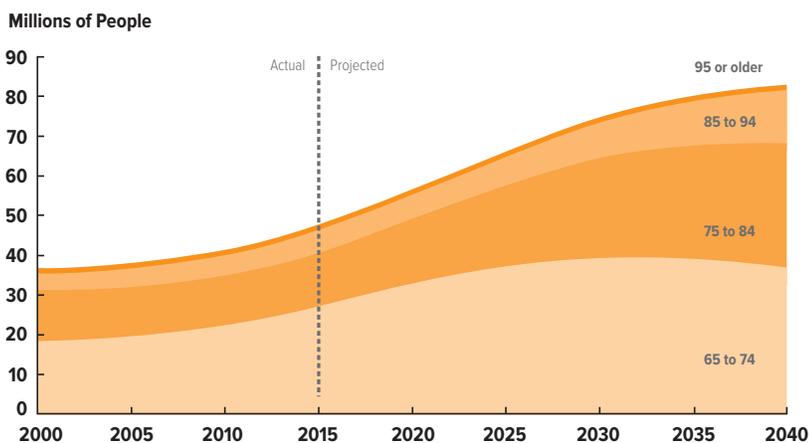
As a result of our medical advances, we are, as a nation, living longer. And more power to us. So long as we remember that with a longer life comes the responsibility to pay for it.

Are we really living longer? The attached chart proves the point.

Chance of living to age 100 has gone up dramatically.
What are the chances you can afford to live to 100?



Source: U.S. Census Bureau February 2012



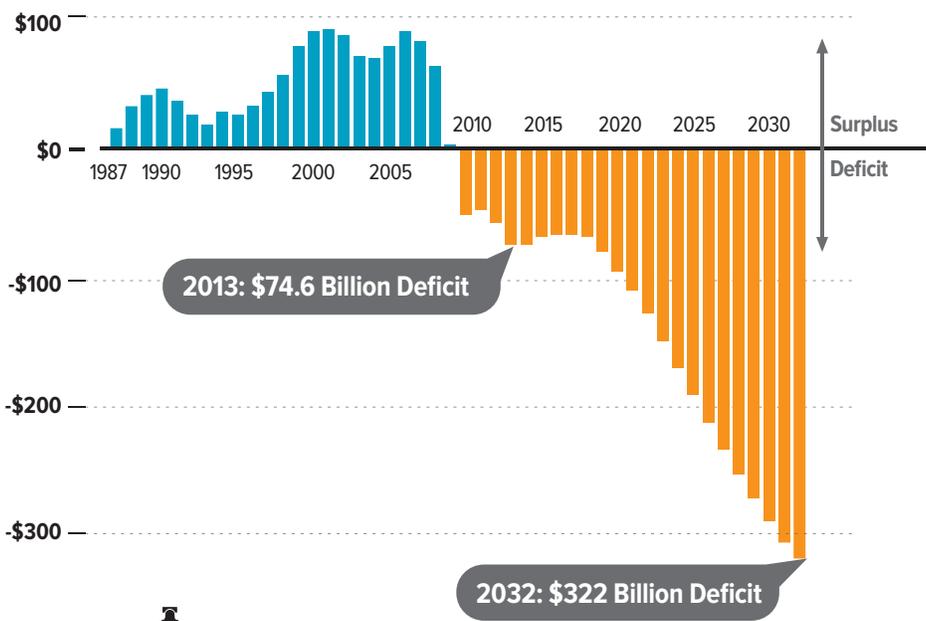
The elderly population is growing rapidly and living longer.

Source: Congressional Budget Office. <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/50250-LongTermBudgetOutlook-2.pdf>

The realities we face.

The **Social Security** challenge

If we are living longer it stands to reason we are spending more on Social Security, our most powerful national social net. This is not the forum for a discussion on what to do about Social Security. But it is simply a fact that the Social Security we know needs some fixes to remain solvent long into the future.



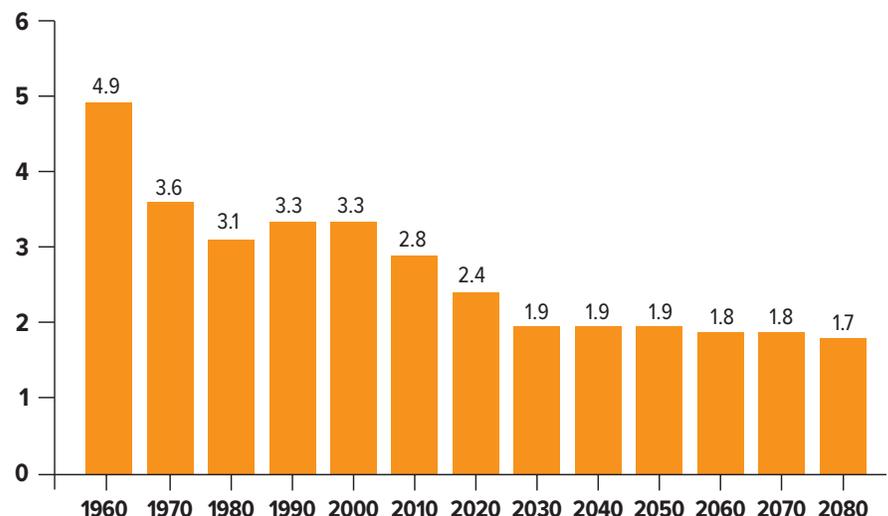
Billions of dollars (2013)

Source: Social Security Administration, "Financial Data for Selected Time Period," 1987-2012, <http://www.ssa.gov/oact/ProgData/allOps.html> (accessed April 3, 2014); and Social Security Administration, "The 2013 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," Table VI.F7—Operations of the Combined OASI and DI Trust Funds, May 31, 2013, <http://www.ssa.gov/oact/tr/2013/tr2013.pdf> (accessed April 3, 2014). <http://www.heritage.org/>/media/images/reports/2014/04/bg2903/bg-obama-budget-fy-2015-chart-2-825.aspx. B 2903 heritage.org

A chief reason for the challenge is there will be fewer payers into the system down the road.

The number of workers for each Social Security beneficiary fell from 4.9 in 1960 to 2.8 in 2010

CBO projects that by 2035 there will be 1.9 workers for each Social Security beneficiary

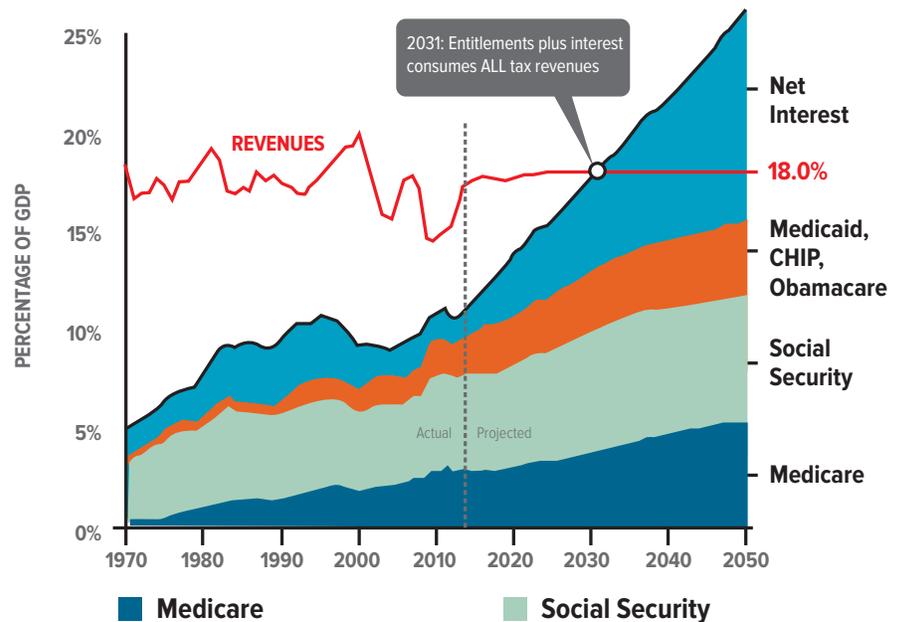


The **federal budget** challenge

And so we are left with our ballooning federal budget and record deficits. Over time, decisions are made about the budget that ultimately affect your life today and tomorrow. Do we need to raise or lower taxes? How do we best provide for the safety of our citizens? What about our social nets? The answers to these questions are, of course, outside the scope of this piece... outside the scope of planning for your financial future.

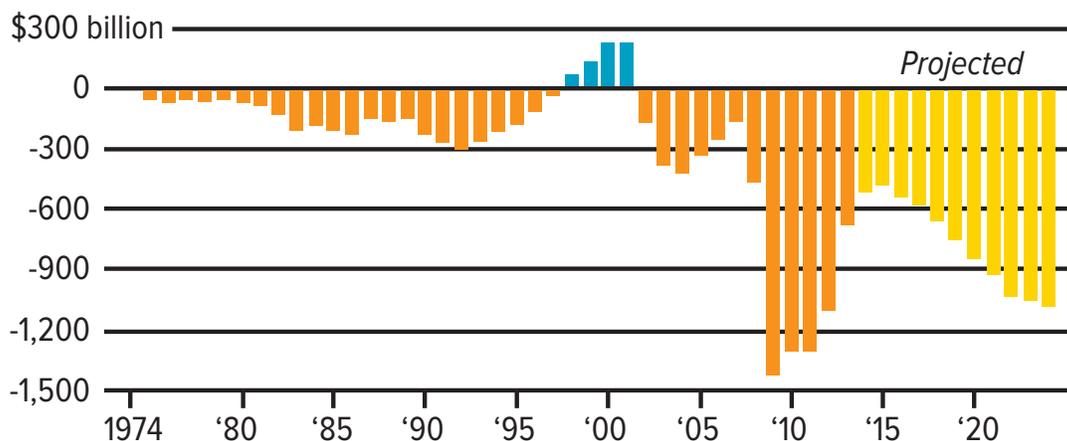
Entitlements and interest driving future spending surge

Source: U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2015: Historical Tables*, 2014, Tables 8.4, 8.5., and 10.1, <http://www.whitehouse.gov/omb/budget/Historicals> (accessed January 16, 2015), and Congressional Budget Office, *The 2014 Long-Term Budget Outlook*, July 14, 2014, <http://www.cbo.gov/publication/45308> (accessed January 16, 2015).



What is in your scope? What can you control? Read on.

The federal budget is recording chronic deficits



Source: Congressional Budget Office. (<http://www.bloombergview.com/quicktake/entitlements> Sept. 16, 2015)

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