



How Can You Increase Your Retirement Income

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While banks present a lower risk than the markets, bank deposits historically have low yields. This is very significant in retirement because you need sufficient income from your investments to replace your paycheck. Your bank savings may not grow if interest rates are low, and may even lose value over time due to inflation.

-- Income-producing investments --

These two income-producing investments, while more risky than bank deposits, may be appropriate for some investors, and it's worth asking a professional, licensed investment advisor if they're right for you:

BONDS – A bond is a loan to a government or company over a set time period. When the bond matures, you get back your original sum (the principal), while during the time that you own the bond, you receive regular interest payments. Even though bonds are lower risk than stocks, they are not risk free. During a bond's lifetime, market volatility can cause its value to go up or down, and there is the risk of default. You don't have to invest in individual bonds – a bond fund gives you the opportunity to diversify. These funds are managed for you, and you can also receive a monthly payment instead of the semi-annual payments received from individual bonds. Be sure to read the prospectus before investing in a mutual fund so that you understand the risks and expenses.

DIVIDEND-PAYING STOCKS – Individual stocks may pay dividends, as well as REITs (real estate investment trusts), ETFs (Exchange Traded Funds), and mutual funds. While the dividend rate isn't guaranteed (that is up to the board of directors to decide), dividend-producing investments generate income on a regular basis. (Don't forget that the initial investment does carry risk of principal.)

-- Consult with a financial advisor --

Before deciding on an income-producing investment, consult a financial advisor to find out which investment strategy is best for you. For more information about increasing your retirement income, watch the 9-minute video at Profile-Financial.com/increase-income

Wherever you are on the path to retirement, *The Goldstein on Gelt Show* helps you manage your money better. Download our latest episode to

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- learn investment strategies from the world's best investors,
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