



Risks in Accumulation

- ▶ Expense Risk
- ▶ Mortality Risk
- ▶ Savings Risk
- ▶ Market Risk

Risks in Retirement

- ▶ Expense Risk
- ▶ Longevity Risk
- ▶ Bequest Risk
- ▶ Market Risk

Assets	Liabilities
<p>Financial Capital</p> <p>Human Capital™</p> <ul style="list-style-type: none"> ▶ PV of Earnings for Pre-Retirement Expenses ▶ PV of Earnings directed toward Savings ▶ PV of future Social Security and Pensions 	<p>Future Expenses</p> <ul style="list-style-type: none"> ▶ PV of Pre-Retirement Expenses ▶ PV of Post-Retirement Expenses ▶ PV of Bequest
<p>Surplus (Deficit)</p>	

PV = Present Value