



| SEC

Before You Invest, **Investor.gov**



Protecting Your Money in Retirement

Paid for by the United States Securities and Exchange Commission

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SEC Disclaimer

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Introduction to Investing

Financial Tools & Calculators

Protect Your Investments

Additional Resources

Check Out Your INVESTMENT PROFESSIONAL

Individual

It's a great first step toward protecting your money. Learn about an investment professional's background, registration status, and more.

Never Stop Learning

Resources for Older Investors

Crypto Assets

Financial Tools and Calculators

Understanding Fees

Investing Quizzes

Featured Information

Loud Budgeting
What is "loud budgeting" and how can it help you meet your financial goals? Learn more by reading our latest Director's Take

Investor Alerts and Bulletins

Pre-IPO Investment Scams - Investor Alert
Jun 7, 2024

Get Help

Beware of Communications Falsely Appearing to Come from the SEC
If you have been contacted by the SEC,

Before You Invest, **Investor.gov**

Learn Investing Basics

- **All investments have risk:** The potential for higher return typically comes with higher risk
- **You can manage risk:** Making informed asset allocation decisions and diversifying your portfolio can reduce risk
 - **Asset allocation:** Dividing an investment portfolio among different asset categories like stocks, bonds and cash
 - **Diversification:** Spreading your money among different companies, sectors, and even asset classes

“Don’t put all your eggs in one basket.”



Monitor Your Accounts

How are your investments doing – are you on track to have enough money to make it through retirement?



Introduction to Investing	Financial Tools & Calculators	Protect Your Investments	Additional Resources
<p>Spotlight</p> <ul style="list-style-type: none"> Crypto Assets HoweyTrade Public Service Campaign World Investor Week Director's Take Investing Quizzes Investomania Microcap Fraud Videos 	<p>Retirement Toolkit</p> <ul style="list-style-type: none"> First Job Switching Jobs Employer-Sponsored Plans Federal Government Plans Individual Retirement Accounts (IRAs) Managing Lifetime Income Senior Specialist Designations Social Security Avoiding Retirement Fraud 	<p>Information For:</p> <ul style="list-style-type: none"> Librarians Older Investors Teachers Military Veterans Native Americans Youth 	<p>CALCULATE COMPOUND INTEREST</p> 

Is My Money Going to Run Out in Retirement?



By Lori Schock, Director of the SEC's Office of Investor Education and Advocacy

Is my money going to run out in retirement? I get that question all of the time. Here's my answer. If you don't plan ahead you could face some financial challenges in retirement. The best way to make sure you have money for the long-term to live the life you want to lead in retirement is to get an early start by setting goals and creating a saving and investing plan that will help you achieve those goals. If you're getting a late start, don't lose hope. There are ways you can make up some ground.

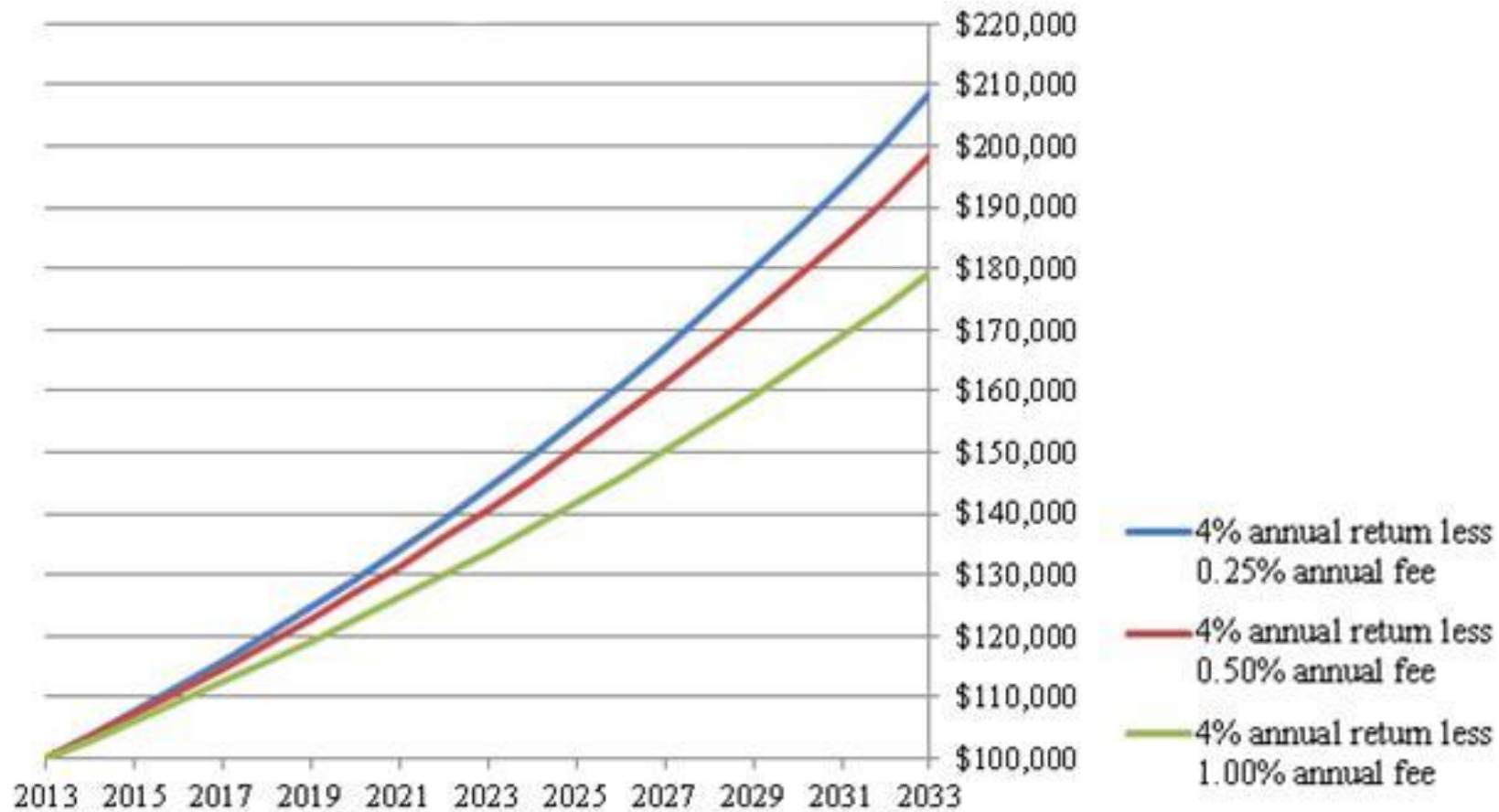
First things first. I know it may be hard, but think about at what age you would like to retire. Is it 55, 60, 67, earlier, later? Your retirement age is important because it lets you know how much time you have to save and how much money you need to put away each month in order to have "enough money" in retirement. According to the Department of Labor, the average American spends roughly 20 years in retirement. Being mindful of this kind of information can give you an idea of how long you may be living off of your retirement savings.

Understand Fees

- **Pay attention to fees:** Even small fees can have a major impact on your investment portfolio over time
- **Types of fees:** You may pay fees for holding an account, owning an investment, buying or selling an investment, and for any advice or help regarding investments you get from an investment professional
- **Ask questions about fees:** For any new investment, check out its fees and expenses before you invest – for current investments, review the fee information each year
- **Pro Tip:** Actively-managed funds typically have higher fees than index (passive) funds

Impact of Fees

Portfolio Value from Investing \$100,000 over 20 Years

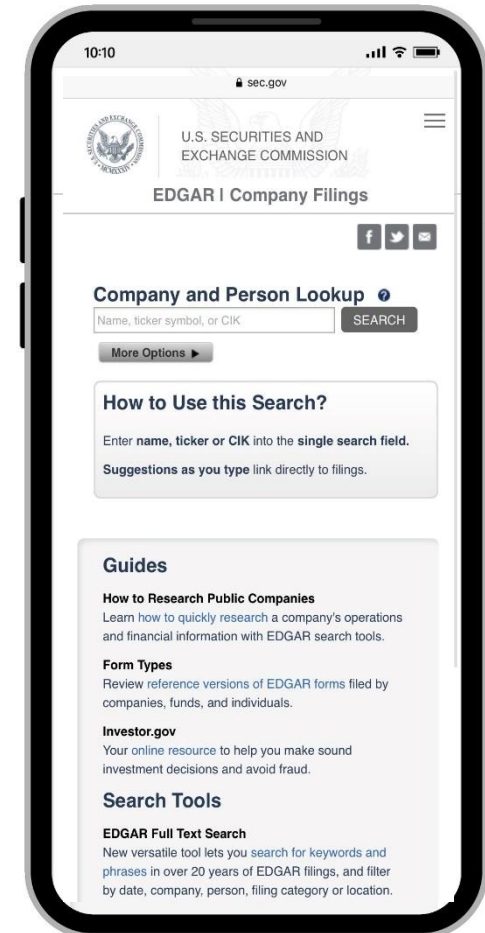


Research Any Investment Product

Check EDGAR:

Is the product registered with the SEC?

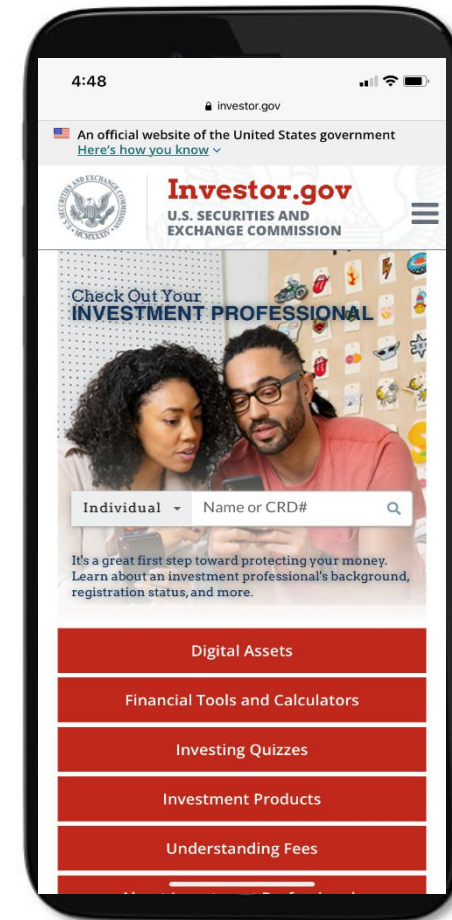
- Scams often involve unregistered companies
- EDGAR has important information about companies



Check Any Investment Professional

Check on Investor.gov:

- License/registration
- Employment history
- Important disclosures



Plan for Illness or Diminished Capacity

Talk to a trusted family member or friend about your accounts and assets before anything happens

- Organize important documents and keep them up to date
- Make a list of important account information, contact information and policy numbers and give a copy of the list to a trusted family member or friend or make sure they know where you keep that information

Add a Trusted Contact

A trusted contact is a person your brokerage firm will contact under certain circumstances:

- If your broker believes your account may be exposed to possible financial exploitation or fraud
- If your broker is having trouble reaching you
- If they suspect you are sick or suffering from diminished capacity

Note: Naming someone as a trusted contact does not give that person the authority to act on your behalf, execute transactions, or engage in activity on your account.

Tapping Your Nest Egg

Consider how and when to take money out of your investment accounts

- **Does rolling over a retirement account make sense?**
It may make sense if you want to consolidate multiple retirement accounts for convenience, but it may not make sense if you will pay more in fees
- **Follow the rules for any rollover** Visit the IRS's website on Rollovers of Retirement Plans and IRA Distributions to learn more about the rules related to rollovers
- **Consider RMDs (required minimum distributions)**
Carefully plan how much you need to take out, when to take it out, and which assets you will sell (keeping in mind diversification, rebalancing, and tax considerations)

RMD Calculator on Investor.gov

The screenshot shows the Investor.gov website header with the U.S. Securities and Exchange Commission logo and navigation links. Below the header is a menu with four categories: Introduction to Investing, Financial Tools & Calculators, Protect Your Investments, and Additional Resources. The 'Financial Tools & Calculators' category is selected, and a red arrow points to the 'Required Minimum Distribution Calculator' link in the left sidebar. The main content area features the calculator title, a brief description, a note about spousal age differences, and a form with two required fields: 'Previous Year-End Account Balance' and 'Age at Year-End'. The form includes 'CALCULATE' and 'RESET' buttons.

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HOME

Compound Interest Calculator
Calculadora de interés compuesto
Savings Goal Calculator
Required Minimum Distribution Calculator
College Savings Calculator

Required Minimum Distribution Calculator

Use our required minimum distribution (RMD) calculator to determine how much money you need to take out of your traditional IRA or 401(k) account this year.

Note: If your spouse is more than ten years younger than you, please review IRS Publication 590-B to calculate your required minimum distribution.

* DENOTES A REQUIRED FIELD

Previous Year-End Account Balance *
What was the value of your retirement account as of December 31st of last year?

Age at Year-End *
How old will you be at the end of this year?

CALCULATE RESET

Additional Information on RMDs:

- [IRS RMD FAQ Page](#)
- [IRS RMD Comparison Chart \(IRAs vs Defined Contribution Plans \(e.g., 401\(k\), profit sharing, and 403\(b\) plans\)\)](#)
- [IRS Publication 575 \(Pension and Annuity Income\)](#) (discusses distributions from defined contribution plans)
- [IRS Publication 590 \(Distributions from IRAs\)](#)

Fraud – what is it? What are some common scams?

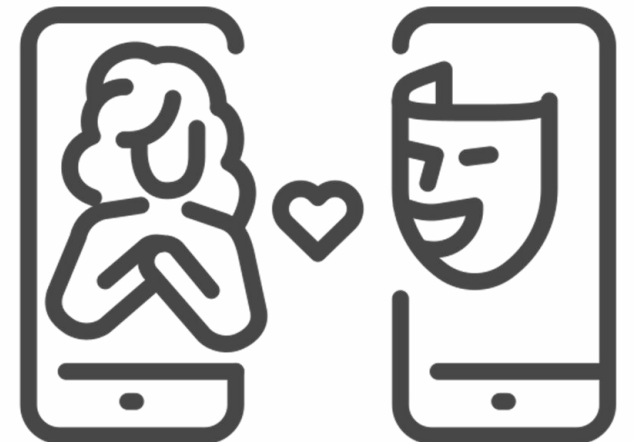
Common Scams

- Imposter Scams (including Government Impersonator)
- Advance Fee Fraud
- Romance/ Relationship Confidence Scams

- Pump-and-Dumps
- Affinity Fraud
- Ponzi Schemes
- Pyramid Schemes

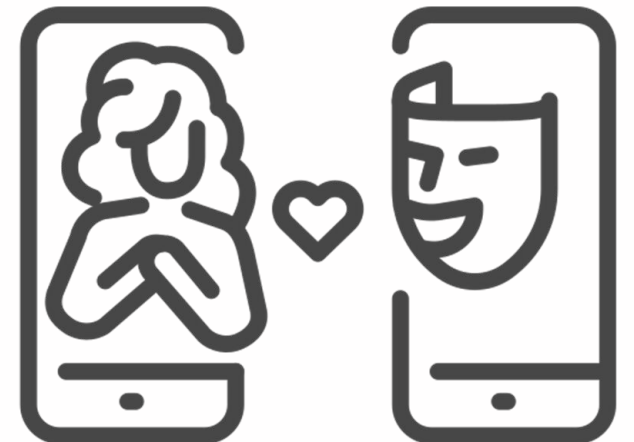
Romance and Relationship Confidence Scams

- Long-term confidence scam that often starts with a wrong number text or a social media message
- Scammer develops a relationship with their mark and usually encourages them to invest in crypto assets or other investments



Romance and Relationship Confidence Scams

- When the scam blows up, it is potentially financially and psychologically devastating to the person scammed
- After scam is discovered, the scam may not end – second and third chance for the scammer to take advantage of you through recovery fraud and money mule fraud



Fraud targeting groups

Fraud targeting members of any identifiable group, such as:

- Seniors/ Retirees
- Ethnic Communities
- Military Personnel
- Professional Athletes
- Federal Employees
- Religious Groups



How do scammers operate?

Scammers Prey on Fears

- Your fear of running out of money
- Your fear of missing out on an investment opportunity or a sure thing
- Your fear of appearing unintelligent
- Your fear of falling behind

FOMO

FEAR OF MISSING OUT



Investor.gov

Persuasion Tactics of Fraudsters

- **Phantom Riches:** Dangling the prospect of wealth
- **Scarcity:** Creating a false sense of urgency by claiming limited supply
- **Reciprocity:** Offering to do a small favor for you in return for a big favor
- **Social Consensus:** Leading you to believe that other savvy investors have already invested
- **Source Credibility:** Claiming to be with a reputable firm or to have a special credential or expertise

What are red flags to look out for?



Promises of Great Wealth

“This could be yours.”



“I’ve made my clients millionaires.”





High Guaranteed Returns



“You can earn an extra \$500 per week – guaranteed.”



Calling Out Scammers

“There are a lot of scammers out there posing as experts. Everything I’m about to tell you is one hundred percent true.”



Fake Testimonials and Celebrity Endorsements

“I’ve made \$1,934 in the last 10 minutes.”





Pressure to Act Now



“I’m only giving access to the first 100 subscribers!”




Exaggerated Credentials

“After getting my MBA and working at top financial firms around the world, I got an insider’s look at how the markets really work.”



How can you avoid scams and fraud?

A word of caution ... Investing on apps

- Some apps or online platforms may give investors access to complex or high-risk products or strategies – understand before you invest
 - Some apps or online platforms encourage users to **over-trade** through gamification of trading and instant notifications on stock moves
 - Know what fees are charged when you use the app for trades.
- 
- A background image showing a person's hands holding a smartphone. The screen displays a trading application interface with various charts, data points, and buttons. The interface includes a 'My balance' section showing '\$59572.00M', a 'BUY' button, and a 'SELL' button. The background is a soft-focus outdoor scene with a person in a blue shirt.

Keep an eye out for “ishing” scams

- When it looks legitimate, but it isn't, it could be an “ishing” scam where a criminal tries to steal your personal or financial information in one of the following ways:
 - Phishing – email
 - Smishing – SMS or text messages
 - Vishing – phone calls
- Keep an eye out for typos, bad grammar, URLs, attachments you aren't expecting, generic greetings



Protect Your Online Accounts



**Pick a strong password,
keep it secure, and
change it regularly**



**Use different passwords
for different accounts**



**Use multifactor and
biometric authentication,
if available**

Do your homework ...

- When taking advice from financial influencers, check to see if they're registered on Investor.gov
- While legitimate advisers and influencers may share useful information, others could be looking for targets for fraud
- They may claim to offer unbiased recommendations when they stand to profit
- Newsletters, tips, and advice advertised on legitimate websites and social media platforms may be fraudulent – check before you invest with any advisor you can't meet in person

Unsolicited Offers to Invest

- Investment fraudsters look for victims through social media, email, texts and phone calls.
- If you receive a “can’t miss” offer from someone you don’t know, your best move may be to pass up the “opportunity”



Be careful how you pay

- Scammers often direct victims to pay with untraceable, irreversible payment methods like cryptocurrency, gift cards, or overseas wires
- Only use payment apps to pay vendors you know and trust



Celebrity Endorsements



- Be wary of celebrity endorsements on TV or social media platforms. They appear unbiased but may be part of a paid promotion.
- The SEC has recently brought charges against a number of celebrities, including Floyd Mayweather, Steven Seagal, and DJ Khaled.
- Just because a celebrity promotes an investment, it does not mean it is a legitimate investment.

Take Steps to Avoid Fraud

- If it sounds too good to be true, it is
- Be careful if you are asked to pay for an investment with gift cards, cryptocurrency, or wires overseas
- Don't be pressured to buy quickly
- Take your time to do research with unbiased resources
- Testimonials are easy to fake and influencers are often paid to endorse



[Investment Opportunity](#)

[Educational Video](#)

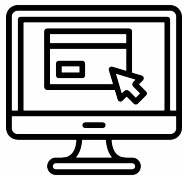
Contact the SEC

Submit Investor Complaints & Questions:



help.sec.gov

Report Suspected Securities Fraud:



www.sec.gov/tcr



Investor.gov



facebook.com/SECgov

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Protecting your money in retirement

Alliance for Retired Americans Pension Symposium

November 2024

Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

Introduction to the CFPB

- Federal agency created in 2010
- Dedicated to making sure you are treated fairly by banks, lenders and other financial institutions
- **On your side** through life's financial moments



CFPB's work includes:

- Rooting out unfair, deceptive, or abusive acts or practices by writing rules, supervising companies, and enforcing the law
- Enforcing laws that outlaw discrimination in consumer finance
- Taking consumer complaints
- Enhancing financial education
- Researching the consumer experience of using financial products
- Monitoring financial markets for new risks to consumers

Office for Older Americans

CFPB's Office for Older Americans works to:

- help older consumers make sound financial decisions as they age;
- identify and address emerging consumer protection risks;
- help older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices; and
- coordinate consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement.

consumerfinance.gov/olderamericans

Fraud and financial exploitation

Issues and trends

\$95,156

average individual loss
for EFE by strangers
(Metlife study, 2011)

\$50,200

average
individual
loss from EFE by a family
member (CFPB study, 2019)

\$33,915

average individual loss
for elder fraud
(FBI study, 2023)

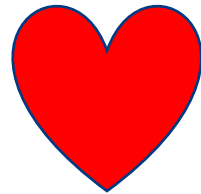
\$11,583

average
individual loss for all EFE
(TrueLink study, 2015)

Examples of fraud and financial exploitation



Theft by family members, caregivers, or in-home helpers



Online dating scams



Imposter scams



Tech support scams



Lottery and sweepstakes scams



Investment scams

Reporting fraud and finding help

Bank, financial service provider

- Protect your account, prevent further losses



Police

- If someone is in danger, call 911

Adult Protective Services

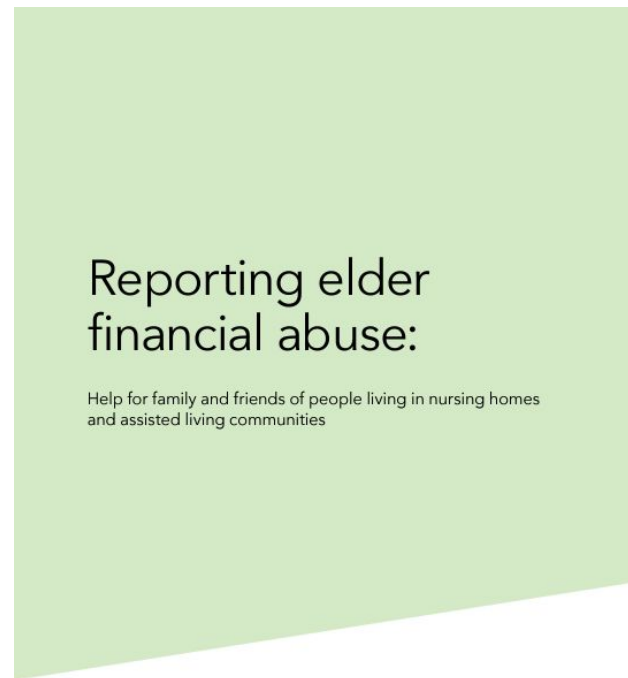
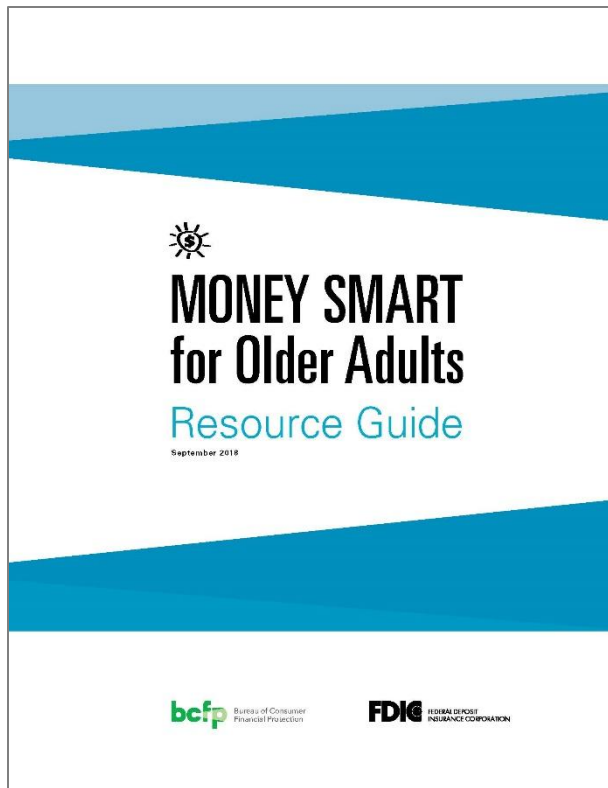
- [eldercare.acl.gov](https://www.eldercare.acl.gov) or call 1-800-677-1116

Reporting fraud and finding help

Scams

- Report scams to the FTC at [ftc.gov/complaint](https://www.ftc.gov/complaint)
- Report online scams (including payment app scams) to FBI at [ic3.gov](https://www.ic3.gov)

Consumer resources on preventing financial exploitation



Protecting resources given housing needs

Home equity and aging in place

- 81% of older adults owned home in 2022
- Home equity most valuable asset among older adults
- Both homeowners and renters struggle with housing and other costs, and many lack retirement savings
- Many older adults prefer to age in place, but some considerations (e.g., affordability, need for home modifications, health, lifestyle)
- Many products to extract home equity, but risks for homeowners



Four guides on important housing decisions

**Leaving your home to
children or heirs**



**Making housing decisions
after losing a spouse or
partner**



**Making housing decisions
when your health changes**



**Using home equity to meet
financial needs**



Available in nine languages and for download

Reverse mortgages



- For prospective borrowers
 - *Considering a Reverse Mortgage?*
 - *Reverse Mortgage Discussion guide*
- For current borrowers
 - *Reverse Mortgage Rights & Responsibilities guide*

Help from housing counselors



- Housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD) can offer independent advice on buying a home, renting, defaults, forbearances, foreclosures, and credit issues, often at little or no cost to you.

consumerfinance.gov/find-a-housing-counselor/

Trouble in the residential solar market

Rapid rise of nonbank lenders, solar salespeople are raising the potential for illegal behavior and consumer harm:

- Hidden markup fees
- Misleading claims
- Ballooning payments
- Exaggerated savings claims

CFPB in action

- Scrutinizing lending practices
- [Consumer advisory](#) helps avoid pitfalls
- [Report](#) explains how systems are sold, financed

Other solar resources

<https://home.treasury.gov/policy-issues/consumer-policy/consumer-solar-awareness>

- Treasury:
 - Solar consumer advisory
 - Before You Buy Solar Panels
 - Before You Sign a Solar Lease
 - Before You Sign a Power Purchase Agreement
 - Before You Sign a Solar Subscription
- FTC: How to Avoid Getting Burned (solar scams)



Debt risks and resources

Debt issues and trends: Ages 60 and older

21%

Percent of older adults
report having “too
much debt” in 2021

*CFPB analysis of FINRA Foundation
National Financial Capability Study*

63%

older households
with debt in 2022;
up from **44%** in

1989

*CFPB analysis of the Federal Reserve
Board Survey of Consumer Finances*

12% to 24%

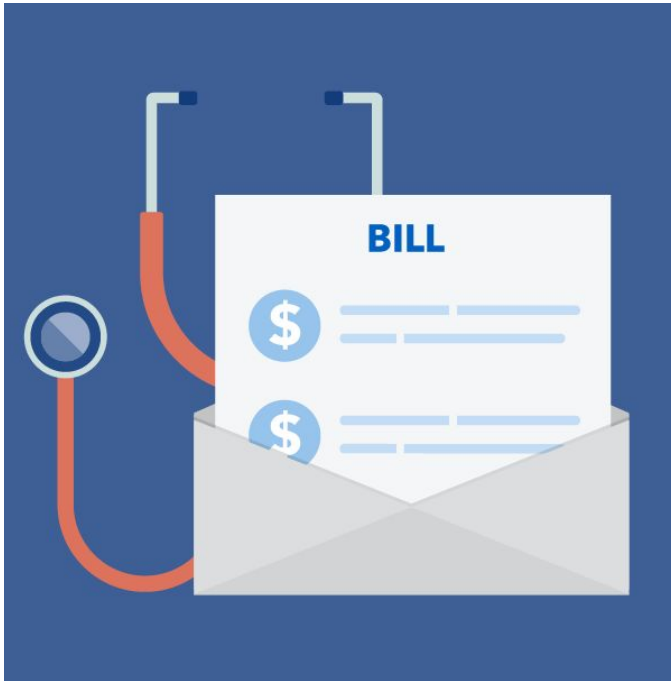
Share of total debt owed by
older consumers from
2000 to 2024

*CFPB analysis of the New York Fed
Consumer Credit Panel/Equifax*

Debt issues in retirement

- Medical debt
 - Improper billing
 - Costs not covered by insurance
 - Use of medical credit cards/loans
- Potential consequences of debt
 - Debt collection
 - Credit reporting impacts
 - Hardship
 - Garnishment of income and benefits (with some protections)
 - Housing risks such as eviction and foreclosure

Resources on debt and debt collection



- What should I do when a debt collector contacts me?
- When a loved one dies and debt collectors come calling
- What should I know about medical credit cards and payment plans for medical bills?
- Know your rights and protections when it comes to medical bills and collections
- What to do if you are wrongfully billed for Medicare costs
- Social Security and Veterans Affairs (VA) benefit protections from automatic garnishment

Disputing a bill in debt collection



If you're getting calls from debt collectors, but don't think you owe the money, send a letter to ask the debt collector for more information or to dispute the debt.

CFPB has [sample letters](#) to help you write and send a letter to debt collectors.

Finding help with health care costs



Health insurance counselors are free, unbiased, local experts who can help you find out if you are eligible for assistance with prescriptions through Medicare Extra Help, or help with premiums, copays, and co-insurance through the Medicare Savings Programs.

To find a counselor, visit the SHIP locator at shiphelp.org.

Debt collection scams

- Pressures you to pay by money transfer or prepaid card
- Falsely threatens you with jail time or poses as a government official
- Says they will tell your family, friends, and employer
- You don't recognize the debt that the person claims you owe money for
- Asks you for sensitive personal financial information
- Calls you at inconvenient times

Additional resources

Learn about financial rights and protections


Ask CFPB

We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.



 Auto loans

- What effect will shopping for

 Bank accounts and services

 Credit cards

- What is a credit card interest

consumerfinance.gov/ask-cfpb/

Submit a complaint to CFPB



If you have an issue with a product or service, CFPB will forward your complaint to the company and work to get a response from them.

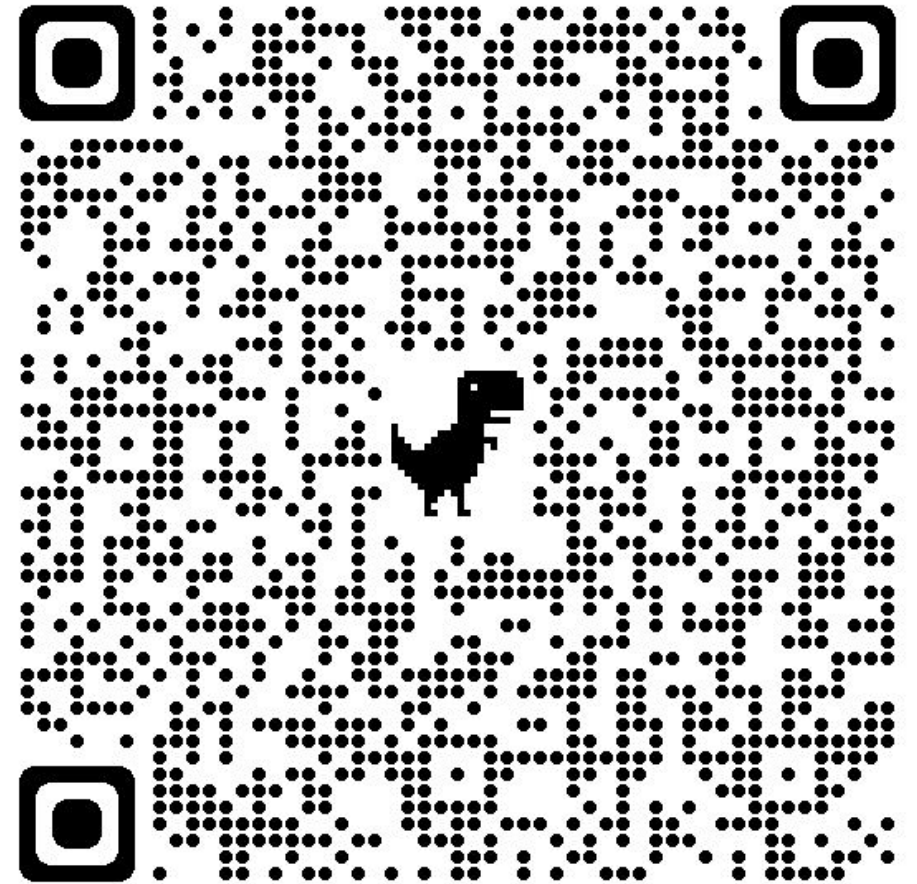
You can submit a complaint at consumerfinance.gov/complaint or by calling (855) 411-2372.

Contact us

Office for Older Americans

Website: consumerfinance.gov/olderamericans

Email: olderamericans@cfpb.gov



how did we do?

Two-minute Survey

Help us improve our content
and presentations.

https://surveys.sec.gov/jfe/form/SV_2gjL21FxV1EUX7o?event=esfy25o1113

