

Social Security guidance helps clients and can boost referrals



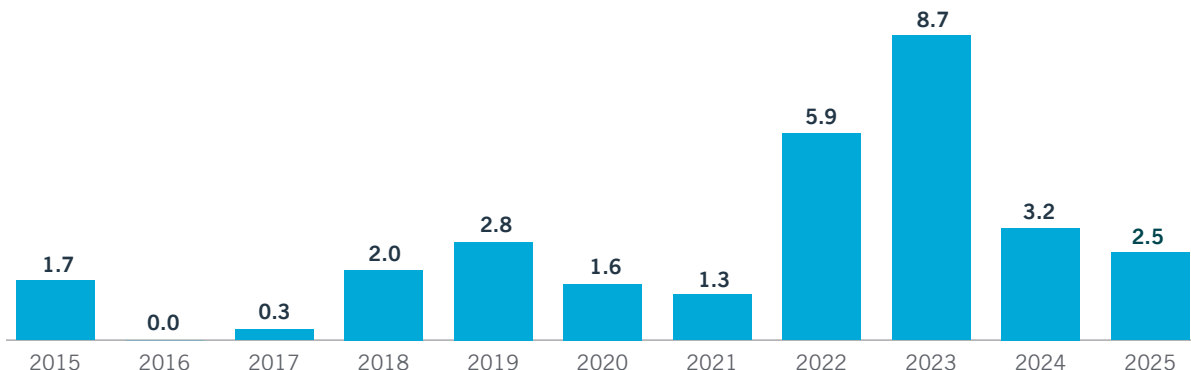
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The announcement of a 2.5% Social Security cost-of-living adjustment (COLA) for 2025 didn't garner nearly as much attention as the 8.7% increase two years earlier. Many of your clients and prospects may have missed the news entirely. What's more, they likely don't know nearly everything they should about social security.

That knowledge gap is an opportunity for you to strengthen your client relationships. No matter what your client's age or stage of life, you can provide actionable insight about Social Security – a key component in a retiree's income strategy – and a sound framework for making informed decisions they can feel good about.

What's more, because satisfied clients are a fruitful source for referrals, by clearly demonstrating your ability to provide measurable value around Social Security planning, you can also fuel your prospect pipeline.

COLA increase by year



Source: [Social Security Administration](#)

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

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So how do you initiate those Social Security conversations? The answer depends on your client’s proximity to retirement. Here are the key considerations to address with clients at different career stages.

PRE-RETIREEES

Those close to retirement may have the most to gain from a conversation about Social Security because they face a complex — and often irreversible — decision about when to start collecting benefits. You can turn stress and uncertainty into a clear course of action that aligns with their needs and goals, and provide a sound framework for decision-making:

- Identify all the benefits they and their families might be eligible for, such as retirement, disability, survivor and dependent benefits
- Perform a cash flow analysis that illustrates and quantifies the tradeoffs entailed with each possible collection strategy

- Offer higher net worth clients guidance with maximizing how much of their money they reclaim from the government.

This cohort may also offer the greatest potential for referrals. That’s because they likely know other people at the same stage of life – approaching retirement with a lifetime of accumulated assets and needing guidance with a similar decision. Once you’ve helped them gain clarity, they are likely to want to share you with others.

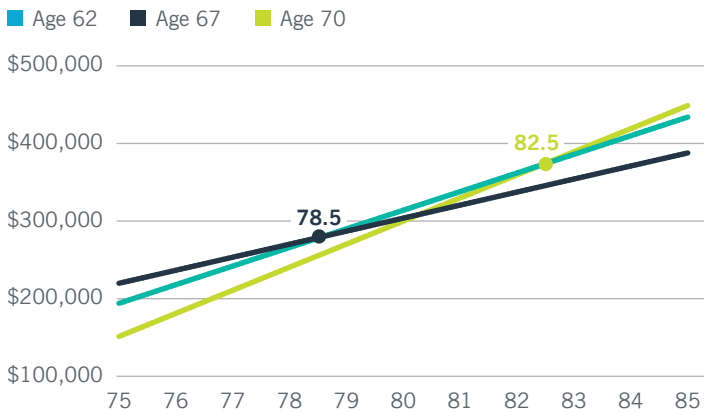
Your chances of success will be greatest if you wait to ask for the referral at just the right time: that “aha” moment when your clients grasp why they are making the choice they are making. At that point, your next question can be: “Do you know anyone else struggling with this decision?”

WORKING AGE

When talking to clients who are more than a decade away from collecting benefits, focus on what’s relevant to them right now. Generally speaking, that means taking steps to ensure they are getting full credit for the money they have been paying into the system:

- Give them the good news: they can expect higher Social Security benefits at retirement, as long as those higher amounts are accurately captured by the SSA.
- Notify higher income earners that they’ll pay more in payroll taxes in 2025. People who make more than \$176,100 in W2 earnings should expect the deduction to keep coming out of their paychecks until their year-to-date earnings reach the new cap of \$176,100.

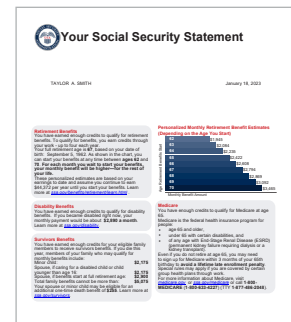
Lifetime cash flow example



Source: Nuveen
Assumes individual is single, never married, has a full-retirement age of 67, doesn’t have an uncovered pension, and 0% rate of return.

- Alleviate concerns among lower-income clients about outliving their assets by highlighting that Social Security benefits take the form of a lifetime annuity that provides annual cost-of-living increases

- Encourage them to register online at www.ssa.gov/myaccount for their Social Security statements (which are no longer sent via mail to those under age 60) and review their recorded earnings carefully. The system is not perfect and sometimes it captures incorrect earnings figures.







- Suggest they bring copies of their Social Security statements to your next meeting so you can review them together. That way, you can not only provide insight, but also gain visibility into their financial picture — including earnings history and assets you might not yet manage. For example, you might point to an earnings period earlier in their careers, and ask:
 - Were you saving for retirement during those years?
 - If so, where are those assets held?

That can lead to other conversations about how those assets are invested and accounted for in the client’s financial plan.

As their financial picture starts to come into focus, you could suggest these clients tell friends and neighbors to check their Social Security statements online and reach out to you if they have questions. However, if your team doesn’t currently have someone focused on cultivating relationships with the next generation of clients, be judicious about soliciting referrals from this age group, focusing on prospects who will likely align with your target market in terms of income and net worth.

Nuveen offers a variety of resources to help you initiate and conduct client conversations about Social Security:

-  Live and on-demand Social Security education presentations
-  Retirement income guide
-  Social Security 2025 quick reference guide
-  Medicare 2025 quick reference guide

RETIREEES

It’s always a good idea to talk to your retired clients about their cash flow, since overspending is one of the biggest risks to their financial plans. That’s especially true when either side of the equation changes. This year, that annual budgeting conversation can start with the increase in Social Security payouts and the opportunities it presents. Then you can offer smart ways to deploy the extra cash to advance their financial goals. For example, now might be a good time to:

- Set up 529 plans for grandchildren or make additional contributions to an existing account
- Consolidate and pay down debt
- Explore partial Roth conversion of tax deferred assets

Retirement budgeting example

To get started, assess your essential and discretionary expenses. This will enable you to compare your anticipated income with your expenses and identify potential gaps to be addressed

Essential	Per month	Discretionary	Per month
Household/Lifestyle			
Mortgage(s)/rent	\$	Home improvement	\$
Utilities/cable/internet	\$	Hobbies	\$
Property taxes and insurance	\$	Dues/memberships	\$
Household supplies	\$	Vacations	\$
Maintenance and fees	\$	Other:	\$
Credit card/debt payments	\$		\$
Other:	\$		\$
Meals			
Groceries	\$	Dining out	\$
Other:	\$		\$
Personal care			
Clothing	\$	Other:	\$

Source: Nuveen
Find this budgeting worksheet and other retirement planning resources in Nuveen’s comprehensive guide to managing retirement income strategy.

Your goal is to help these clients see that they can leverage the increase to realize a retirement goal, potentially alleviating a nagging fear or doubt. In so doing, you demonstrate your value and build trust. That moment of relief or greater clarity is a great time to ask: Do you know others who may also need guidance with their financial goals?

CONCLUSION

Talking to clients — of all ages and stages — about Social Security can be mutually beneficial. Your clients gain information, education and clarity while you can potentially increase your value to them as their trusted financial professional — and that may allow you to capture more of their assets. In fact, the share of wallet for advisor firms that are the main source of retirement advice is 72% vs. 28% for those that aren't.¹

If you have questions or would like additional help engaging clients in conversations about retirement and other financial planning topics, reach out to your Nuveen Advisor Consultant or call 800.221.9271.

To learn more, or to speak with a Nuveen Advisor Education Consultant, please contact us at 800.221.9271. Visit us at [Nuveen.com](https://www.nuveen.com).

Endnotes

¹ Source: [NAPA](#), Oct. 13, 2021

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