



**Nationwide®**  
is on your side

Nationwide Summit®  
fixed indexed annuities

Case study

# Help protect your standard of living in retirement

**Consider an alternative  
to traditional savings options**

# A closer look at inflation and cost of living



It's recommended that people have enough money saved to **cover 30 years of retirement.**



Over the course of three decades, the **effect of inflation on the cost of living can be significant.**



For example, in 1989, the price of a loaf of bread was \$1.29. Today, it's \$2.63,<sup>1</sup> which is a **104% increase.**



Since 1989, annual inflation has averaged **3.4%.<sup>2</sup>**



If that figure were to continue over the next **30 years,**



**\$50,000** of income would need to grow to **\$136,328** to maintain the standard of living.



The average interest rate for a savings account is currently **0.09%.<sup>3</sup>**



## Growth in a savings account

Here's a look at the returns that could be expected from placing **\$50,000 in a savings account earning 0.09% interest.**

Even in a period of low inflation, that level of return won't allow money to keep up with the cost of living, especially if most of an individual's retirement savings are held in traditional savings options.

**10 yrs** 0.09% — \$50,452

**20 yrs** 0.09% — \$50,908

**30 yrs** 0.09% — \$51,368

A savings account at the current rate of 0.09% for 30 years earns \$1,368.

<sup>1</sup> Bureau of Labor Statistics (April 2019).

<sup>2</sup> U.S. Inflation Calculator (April 2019).

<sup>3</sup> Weekly National Rates and Rate Caps—Weekly Update, Federal Deposit Insurance Corporation, [fdic.gov/regulations/resources/rates/#one](https://www.fdic.gov/regulations/resources/rates/#one) (accessed April 2019).

# A new view toward retirement

## How can individuals find a balance between growth potential and protection for the money they've worked to save?

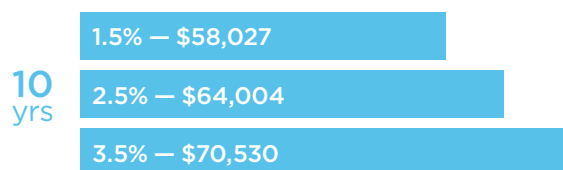
To help meet the needs of people who are wary of the stock market but still want growth potential to help maintain their standard of living, we've developed a different way to put money aside for retirement.

We created the Nationwide Summit fixed indexed annuities to offer growth potential and protection and to help individuals feel confident about how they're preparing for the future.



## Growth in a fixed indexed annuity

Here's a hypothetical example of the growth of \$50,000 placed in a fixed indexed annuity such as Nationwide Summit.



A fixed indexed annuity at a rate of 2.5% for 30 years offers an increase of \$54,878.

The hypothetical 1.5–3.5% returns shown are not guaranteed, but are within the range of reasonable outcomes for a fixed indexed annuity. Of course, growth will depend on a variety of factors over time, including interest rates on cash equivalents and the actual fixed rates and caps associated with your Nationwide Summit fixed indexed annuity.

# Putting it together

Choosing a savings solution that fits an individual's needs and preferences helps provide the freedom to enjoy time in retirement.

Nationwide Summit offers:

## Growth potential with guarantees

Fixed indexed investments give the potential for higher credited earnings than traditional fixed investments might offer.

To accomplish this, Nationwide Summit offers two different types of accounts:

- **Fixed account:** offers a fixed interest rate guaranteed for the first one-year term; then, it offers renewal rates guaranteed for each annual term.
- **Index account:** offers the opportunity for earnings based on the performance of one or more underlying indexes, up to a maximum amount.

## Protection from market risk

We guarantee that no initial investment or credited earnings will be lost due to the performance of the underlying index.

Just keep in mind that if assets are withdrawn from the annuity, principal could be reduced by surrender/contingent sales charges.<sup>4</sup> A market value adjustment may apply.<sup>5</sup>

## Tax deferral to help money grow

The annuity may grow tax deferred, which has the potential to increase the account value.

Over the years, the potential of tax-deferred growth can build a larger account value than a similar taxable account achieving the same rate of interest.



Talk with your advisor today about how Nationwide Summit could be an important part of your retirement planning.

<sup>4</sup> Contingent deferred sales charges are a fee you may be charged if you take money from your contract before a specified time. In CA, a CDSC is called a "surrender charge."

<sup>5</sup> MVAs are amounts added to or subtracted from withdrawals you may take, depending on interest rates. These may not be applicable in all states. While MVAs may reduce credited earnings, they cannot reduce principal.



**We've experienced a lot of market volatility over the past few years.** Those ups and downs have led many people to place their retirement savings in options such as savings accounts and CDs.

## What to look for inside

- 1** Savings accounts and CDs can be comfortable short-term options, but they have a long-term risk.
- 2** Their modest returns might not keep up with inflation, which could affect standard of living in retirement.
- 3** A fixed indexed annuity could offer principal protection while helping to combat inflation risk.

## Important details

As you consider whether Nationwide Summit® is right for your needs, we want you to have important details about the product.

A fixed indexed annuity is a contract you buy from an insurance company to help you potentially accumulate assets for retirement. It offers returns based on the changes in an index, such as the S&P 500® Composite Price Index.

You can receive earnings when the underlying index goes up, but your principal and earnings are also protected from downturns. This means you won't lose principal or credited earnings based on negative index returns.

A fixed indexed annuity is not a stock market investment and does not directly participate in any stock or equity investment. A fixed indexed annuity may be appropriate for those who want the opportunity to capture some upside potential while having a level of protection from market downturns.

Withdrawals taken before age 59½ may incur a 10% early withdrawal federal tax penalty in addition to ordinary income taxes; withdrawals may trigger surrender charges and reduce your death benefit and contract value.

Please keep in mind that annuities have limitations. They are designed for long-term retirement goals. They are not meant to be used as emergency funds, as income for day-to-day expenses or to fund short-term savings goals.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should discuss their specific situation with their financial professional.



• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

Guarantees and protections are subject to the claims-paying ability of Nationwide Life and Annuity Insurance Company.

Nationwide Summit is issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

Nationwide, Nationwide is on your side, the Nationwide N and Eagle and Nationwide Summit are service marks of Nationwide Mutual Insurance Company. © 2019 Nationwide

FAM-0596AO.3 (12/19)