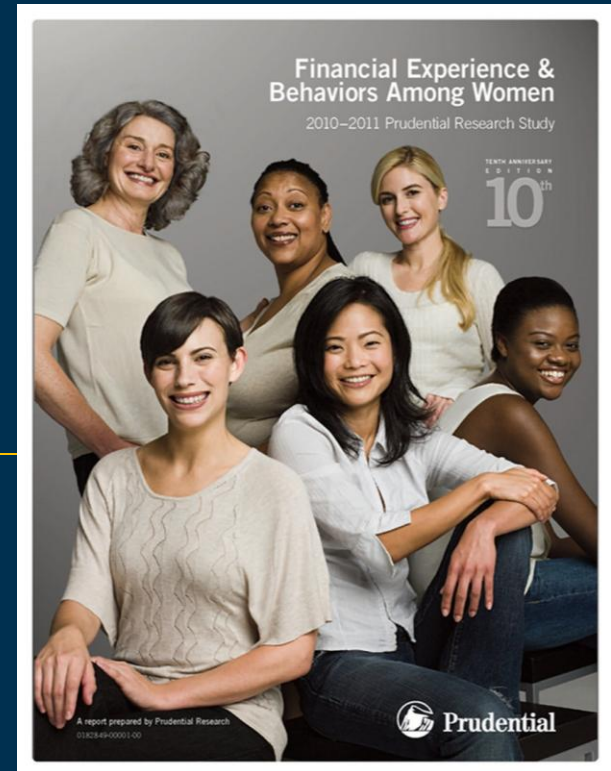


# Women & Money

## Are You Prepared for the Challenges in Retirement?



AMERICAN PRIVATE WEALTH

ANNUITIES:

• NOT A DEPOSIT • NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY  
• NOT BANK OR CREDIT UNION GUARANTEED • MAY LOSE VALUE



# Prudential

# Women & Finance: Good News

- A full **95%** of women indicate that they are directly involved in their households' financial decision-making.<sup>1</sup>
- Women control or influence **53%** of family investments.<sup>2</sup>
- Women hold more than **50%** of stock in the US.<sup>2</sup>
- Women control **\$7 trillion** in purchasing power and **\$13 trillion** in private wealth.<sup>2</sup>



# Women & Finance: Challenges

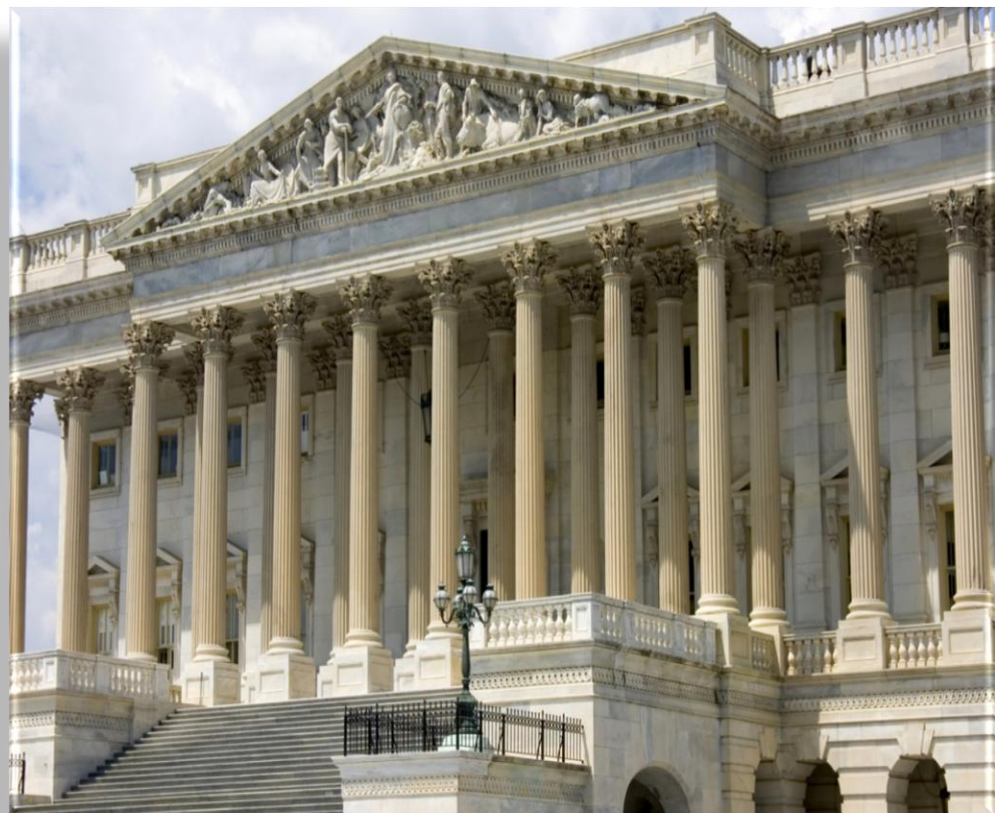
- **Fewer than 2 in 10 women feel “very prepared” to make wise financial decisions. Half indicate that they “need some help,” and one-third feel that they “need a lot of help.”**
- **Nearly 9 in 10 of those who are looking for a lot of help need guidance on how to choose financial products that meet their needs. They say their knowledge of annuities, mutual funds, and individual securities is limited.**

# Challenges Women Face When Planning for Retirement

- **Women earn about a third less than men during their working lives<sup>1</sup>**
- **Caregiving obligations interrupt work life**
- **Fewer women have pensions<sup>2</sup>**
- **Women live longer than men**

# Retirement Challenges Men and Women Face

- **Uncertainty of Social Security**
- **Elimination of Pension Plans**
- **Rising Healthcare Costs**



# The Retirement Red Zone®

## What is **The Retirement Red Zone**?

- **Critical period of your investing life**
- **Unique for everyone**
- **You define it based on your future needs and goals**
- **A time of opportunity, not fear**





# Red Flag Risks



## **LONGEVITY:**

**outliving your  
retirement income**



## **RISING COSTS:**

**inflation,  
healthcare, taxes**



## **MARKET UNCERTAINTY:**

**the impact  
of volatility**

# Longevity





# Longevity: A Good News, Bad News Story

Red Flag Risk #1  
LONGEVITY



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*"If we take a late retirement and an early death, we'll just squeak by."*

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# Women and Longevity



## Women live longer, so money needs to last longer

- Women **spend fewer years in the workforce**, which leads to less money in their 401(k) and may mean lower Social Security<sup>1</sup>
- Women are **less likely to receive pension** income in retirement<sup>1</sup>
- Women are expected to live **80 years from birth** and men have a life expectancy of 74 years. For women, this means the shortfall of retirement income will weigh more heavily<sup>2</sup>
- For a **couple who are both 65 today**, there is a:
  - **63%** chance that one will live to age 90<sup>3</sup>
  - **36%** chance that one will live to age 95<sup>3</sup>

# Longevity: The Good News! ...With a Challenge

Red Flag Risk #1  
LONGEVITY



**Average life expectancy increased by 10 years between 1950 and 2010\***

**This translates into the need for 120 additional monthly income payments to help cover expenses!**

***Where will the money come from?***

***How much will you need?***

**Only 14% of women are very confident they will generate a stream of income in retirement\*\***

**Only 14% of women are very confident they will maintain their lifestyle in retirement\*\***

# Rising Costs

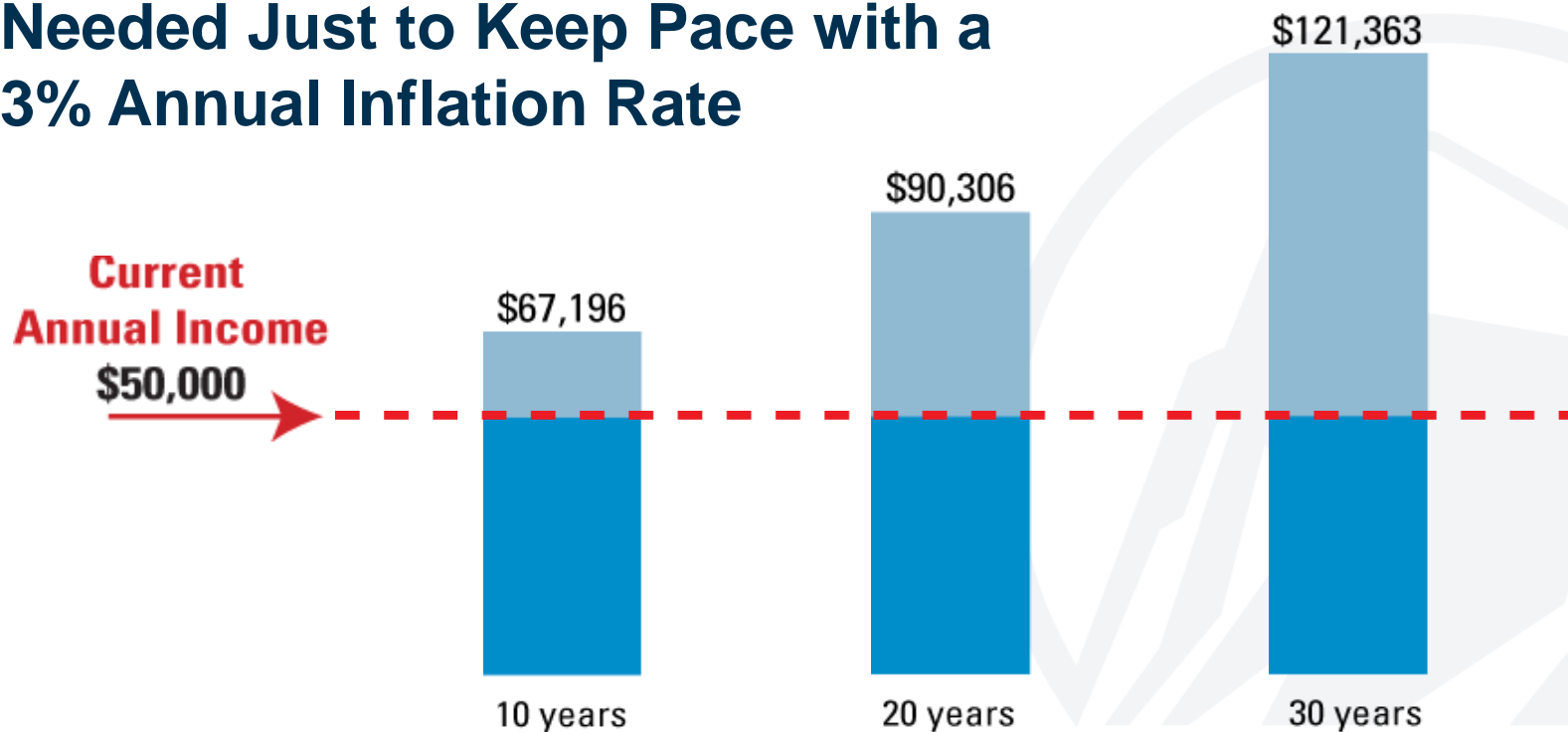


# Inflation: Will Your Money Keep Up?

Red Flag Risk #2  
RISING COSTS



## Retirement Income Amount Needed Just to Keep Pace with a 3% Annual Inflation Rate



For illustrative purposes only. 3% is a hypothetical rate and actual inflation rates may fluctuate over time.



## FACT:

Healthcare costs rose an alarming  
**149%** between 2000 and 2009

*That's four times faster than the average income,  
which rose at just 37% during that time*



# Healthcare May Take a Healthy Bite Out of Retirement Savings

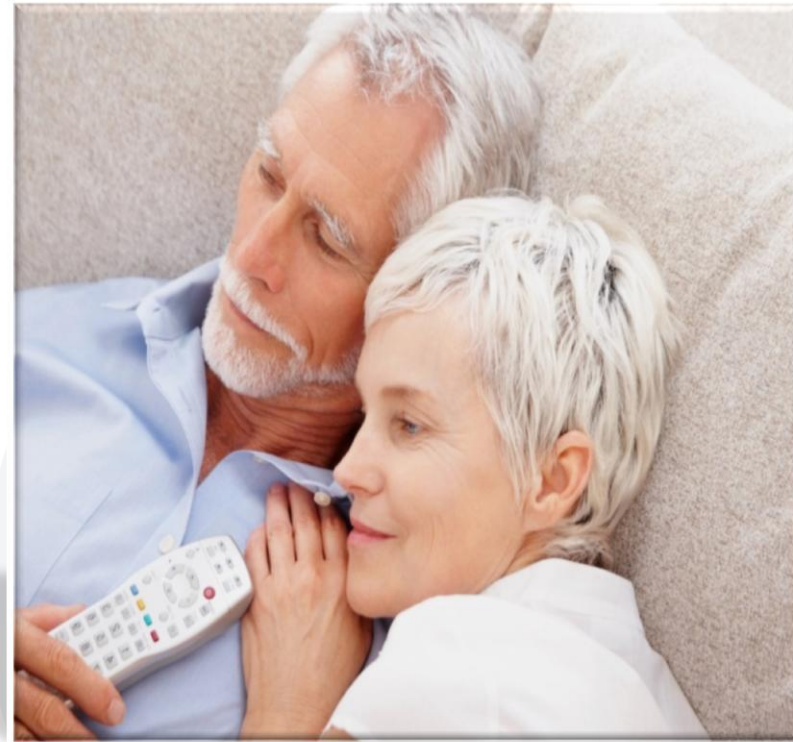
Red Flag Risk #2  
RISING COSTS



It is estimated that an average, healthy, 65-year-old couple will need

**\$260,000**

to pay for healthcare and nursing home costs for the remainder of their lives



# The Future of Taxes?



## What We Know Today

Type of Income Tax	2011 and 2012
Ordinary Income	Rates range between 10% and 35%
Long-Term Capital Gains	Top rate remains at 15%
Qualified Dividends	Top rate remains at 15%

## What the Future May Hold

Type of Income Tax	2013
Ordinary Income	?
Long-Term Capital Gains	?
Qualified Dividends	?

# Social Security: It's Not Tax-Free



## Single Head of Household and mAGI is:

- Less than \$25,000 – tax-free
- \$25,000 to \$34,000 – up to 50% is taxable
- Above \$34,000 – up to 85% is taxable

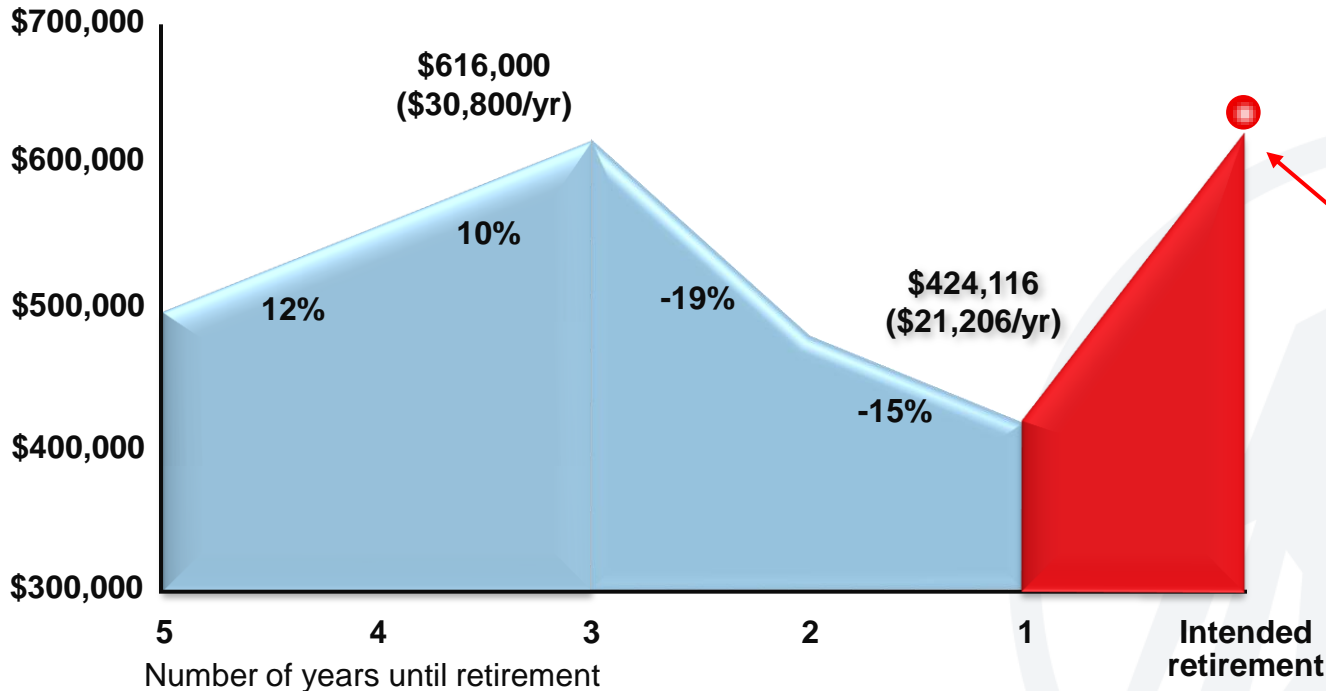
## Married Filing Jointly and mAGI is:

- Less than \$32,000 – tax-free
- \$32,000 to \$44,000 – up to 50% is taxable
- Above \$44,000 – up to 85% is taxable

# Market Uncertainty



# What if a Downturn Collides with Your Retirement?



**How long and how much would it take to recover?**

# Years	Average annual return
1	45%
2	21%
3	13%
4	10%
5	8%

This chart is hypothetical and one example of the returns an investor theoretically could experience during a given period, and it is not intended to depict past or future performance of a variable annuity or subaccount within a variable annuity. If this were an actual example, various costs would be factored into the gross return, including annual insurance and administrative charges of the annuity, annual contract charges, investment management fees of the underlying funds, the cost for any optional features, and any other applicable fees.

# The Sequence of Returns Makes a Difference

SEQUENCE OF RETURNS: IT CAN BE HARD FOR A PORTFOLIO TO RECOVER FROM EARLY LOSSES					ADDITIONAL SCENARIOS			
5% Withdrawals Begin at Age 62	Hypothetical Annual Net Rate of Return	Hypothetical \$250,000 Portfolio Value: Negative Returns Early	Hypothetical Annual Net Rate of Return	Hypothetical \$250,000 Portfolio Value: Positive Returns Early	Hypothetical Uniform Annual Net Rate of Return	Hypothetical \$250,000 Portfolio Value Uniform 5% Net Return	Hypothetical Annual Gross Rate of Return	Hypothetical \$250,000 Portfolio Value Uniform Gross 0% Return
Beginning Value		\$250,000		\$250,000		\$250,000		\$250,000
62	-18.6%	\$191,000	15.6%	\$276,500	5.0%	\$249,991	0.0%	\$237,500
63	-13.8%	\$151,767	6.4%	\$281,321	5.0%	\$249,606	0.0%	\$224,625
64	-4.5%	\$131,676	11.0%	\$299,005	5.0%	\$248,817	0.0%	\$211,364
65	5.4%	\$125,128	10.3%	\$316,143	5.0%	\$247,589	0.0%	\$197,705
66	7.3%	\$120,193	2.3%	\$309,346	5.0%	\$245,891	0.0%	\$183,636
67	14.4%	\$123,010	7.5%	\$318,056	5.0%	\$243,686	0.0%	\$169,145
68	-4.0%	\$103,164	2.3%	\$310,446	5.0%	\$240,935	0.0%	\$154,219
69	6.1%	\$94,084	5.4%	\$311,836	5.0%	\$237,600	0.0%	\$138,846
70	15.9%	\$93,208	8.8%	\$323,443	5.0%	\$233,637	0.0%	\$123,011
71	5.7%	\$82,211	14.3%	\$353,386	5.0%	\$229,001	0.0%	\$106,702
72	6.2%	\$70,510	4.7%	\$353,196	5.0%	\$223,643	0.0%	\$89,903
73	10.9%	\$60,892	3.9%	\$349,668	5.0%	\$217,515	0.0%	\$72,600
74	11.1%	\$49,829	6.5%	\$354,574	5.0%	\$210,560	0.0%	\$54,778
75	7.1%	\$35,010	4.1%	\$350,755	5.0%	\$202,724	0.0%	\$36,421
76	11.0%	\$19,954	-4.2%	\$317,116	5.0%	\$193,946	0.0%	\$17,514
77	-4.2%	\$0	11.0%	\$332,524	5.0%	\$184,161	0.0%	\$0
78	4.1%	\$0	7.1%	\$336,075	5.0%	\$173,304	0.0%	\$0
79	6.5%	\$0	11.1%	\$352,718	5.0%	\$161,302	0.0%	\$0
80	3.9%	\$0	10.9%	\$369,884	5.0%	\$148,081	0.0%	\$0
81	4.7%	\$0	6.2%	\$370,898	5.0%	\$133,561	0.0%	\$0
82	14.3%	\$0	5.7%	\$369,463	5.0%	\$117,658	0.0%	\$0
83	8.8%	\$0	15.9%	\$404,954	5.0%	\$100,283	0.0%	\$0
84	5.4%	\$0	6.1%	\$405,705	5.0%	\$81,342	0.0%	\$0
85	2.3%	\$0	-4.0%	\$364,807	5.0%	\$60,736	0.0%	\$0
86	7.5%	\$0	14.4%	\$391,929	5.0%	\$38,361	0.0%	\$0
87	2.3%	\$0	7.3%	\$394,367	5.0%	\$14,106	0.0%	\$0
88	10.3%	\$0	5.4%	\$388,706	5.0%	\$0	0.0%	\$0
89	11.0%	\$0	-4.5%	\$343,448	5.0%	\$0	0.0%	\$0
90	6.4%	\$0	-13.8%	\$267,453	5.0%	\$0	0.0%	\$0
91	15.6%	\$0	-18.6%	\$188,250	5.0%	\$0	0.0%	\$0
Average Annual Net ROR for 30-year period	5.0%		5.0%		5.0%		0.0%	

Negative returns early deplete savings after 15 years

Positive returns early can extend savings more than 30 years despite the same average annual net rate of return

The hypothetical returns are net of the following fees: insurance charges of 1.85% and portfolio expenses of 1.28% (which represents the average portfolio charge as of 12/31/2009). This example is hypothetical and is for illustrative purposes only and not meant to represent the performance of any particular investment. It assumes a 5.0% net average annualized return on a \$250,000 value rounded to the first decimal. The various columns are intended to demonstrate the impact of the sequence of returns, assuming 5% annual withdrawals of \$12,500 (increasing at 3% annually for inflation). Past performance does not guarantee future results.



# Early Losses May Devastate a Portfolio

SEQUENCE OF A PORTFOLIO T		5% Withdrawals Begin at Age 62	Hypothetical Annual Net Rate of Return	Hypothetical \$250,000 Portfolio Value: Negative Returns Early	Hypothetical \$250,000 Portfolio Value Uniform Gross 0% Return
Beginning Value				\$250,000	\$250,000
62	-18.6%		-18.6%	\$191,000	\$237,500
63	-13.8%		-13.8%	\$151,767	\$224,625
64	-4.5%		-4.5%	\$131,676	\$211,364
65	5.4%	Beginning Value	5.4%	\$125,128	\$197,705
66	7.3%	62	7.3%	\$120,193	\$183,636
67	14.4%	63	14.4%	\$123,010	\$169,145
68	-4.0%	64	-4.0%	\$103,164	\$154,219
69	6.1%	65	6.1%	\$94,084	\$138,846
70	15.9%	66	15.9%	\$93,208	\$123,011
71	5.7%	67	5.7%	\$82,211	\$106,702
72	6.2%	68	6.2%	\$70,510	\$89,903
73	10.9%	69	10.9%	\$60,892	\$72,600
74	11.1%	70	11.1%	\$49,829	\$54,778
75	7.1%	71	7.1%	\$35,010	\$36,421
76	11.0%	72	11.0%	\$19,954	\$17,514
77	-4.2%	73	-4.2%	\$0	\$0
Average Annual Net ROR for 30-year period	5.0%	74			\$0
	Negative deplete sav	75			\$0
		76			\$0
		77			\$0

The hypothetical returns are net of the following fees: insurance charges of 1.85% and portfolio expenses of 1.28% (which represents the average portfolio charge as of 12/31/2009). This example is hypothetical and is for illustrative purposes only and not meant to represent the performance of any particular investment. It assumes a 5.0% net average annualized return on a \$250,000 value rounded to the first decimal. The various columns are intended to demonstrate the impact of the sequence of returns, assuming 5% annual withdrawals of \$12,500 (increasing at 3% annually for inflation). Past performance does not guarantee future results.

# A Positive Return Can Change the Story

5% Withdrawals Begin at Age 62	Hypothetical Annual Net Rate of Return	Hypothetical \$250,000 Portfolio Value: Positive Returns Early	Hypothetical \$250,000 Portfolio Value Form % Return
62			\$0,000
63			\$7,500
64			\$4,625
65	79	11.1%	\$1,364
66	80	10.9%	\$7,705
67	81	6.2%	\$3,636
68	82	5.7%	\$9,145
69	83	15.9%	\$4,219
70	84	6.1%	\$8,846
71	85	-4.0%	\$3,011
72	86	14.4%	\$6,702
73	87	7.3%	\$9,903
74	88	5.4%	\$2,600
75	89	-4.5%	\$4,778
76	90	-13.8%	\$6,421
77	91	-18.6%	\$7,514
78			\$0
79			\$0
80			\$0
81			\$0
82			\$0
83			\$0
84			\$0
85			\$0
86			\$0
87			\$0
88			\$0
89			\$0
90			\$0
91			\$0
Average Annual Net ROR for 30-year period	70 77	11.0% -4.2%	\$19,994 \$0

The hypothetical returns are net of the following fees: insurance charges of 1.85% and portfolio expenses of 1.28% (which represents the average portfolio charge as of 12/31/2009). This example is hypothetical and is for illustrative purposes only and not meant to represent the performance of any particular investment. It assumes a 5.0% net average annualized return on a \$250,000 value rounded to the first decimal. The various columns are intended to demonstrate the impact of the sequence of returns, assuming 5% annual withdrawals of \$12,500 (increasing at 3% annually for inflation). Past performance does not guarantee future results.

# How Can You Help Take Some of the Risk Out of Retirement?



**A variable annuity with an optional living income benefit can:**

- **Guarantee you income for life**
- **Help protect your retirement income against downturns**
- **Potentially take advantage of market upswings**

# Women Have Unique Financial Challenges

## Longer Life Expectancy

- Increased need for secure (and longer) income stream

## Primary Caregiver

- Planning more complex
- Importance of dependents' issues and needs

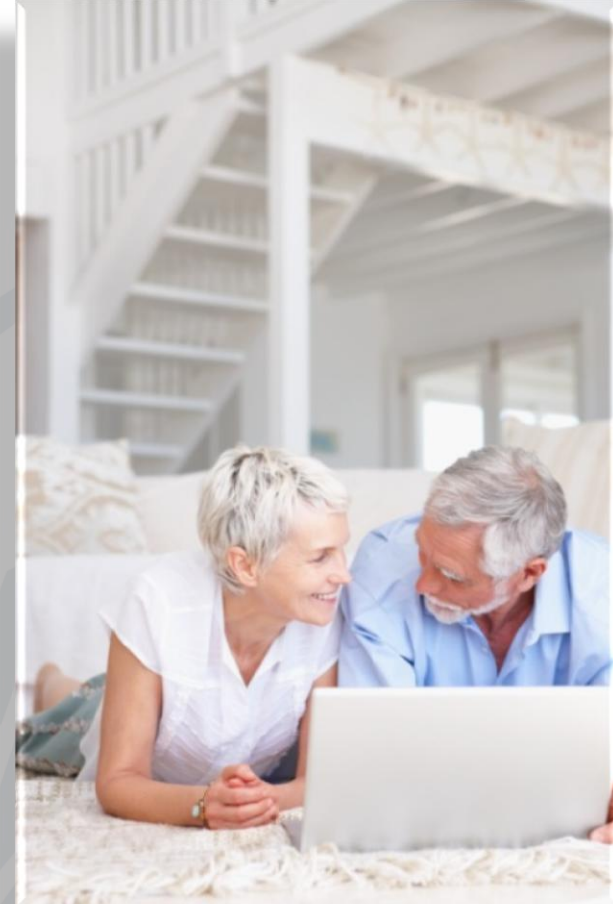
## Retirement Catch-up

- Need to accumulate safely
- Impact of down markets
- Increased accumulation and flexibility

Source: The Trend Sight Group, 2006.

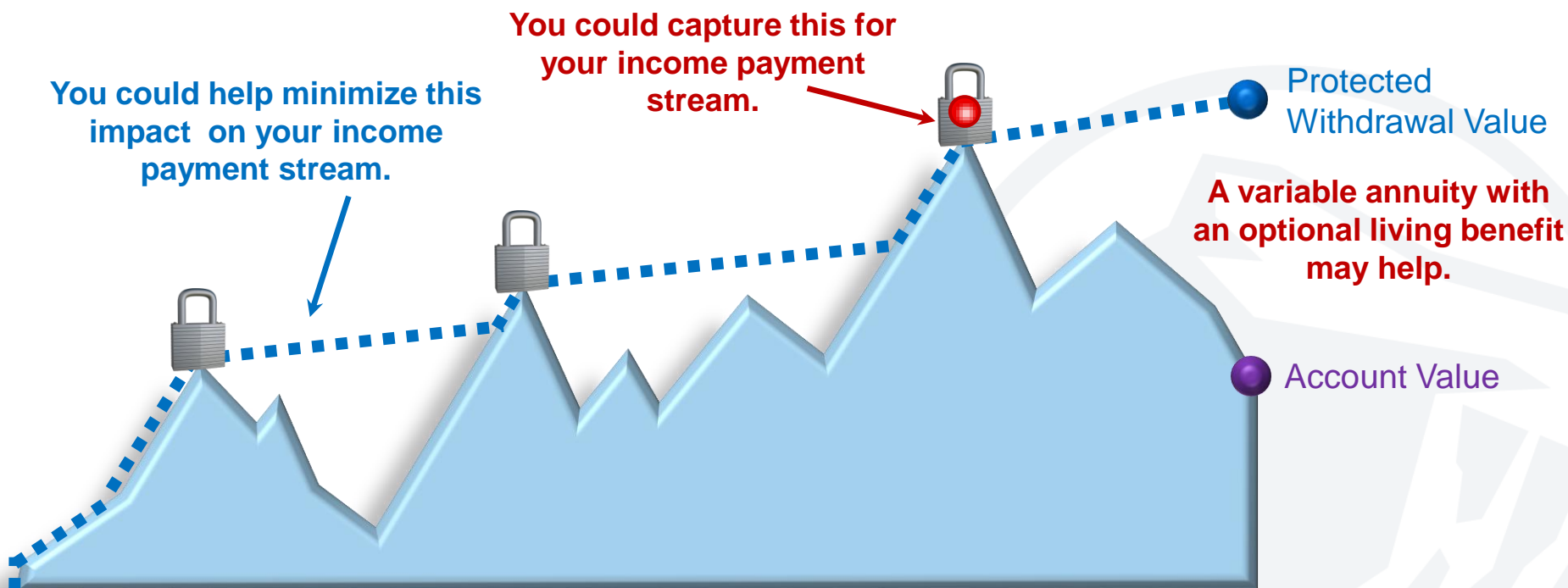
# A Variable Annuity Offers:

- **A choice of payment options**
- **A choice of professionally managed investment options**
- **Tax deferral**
- **Standard death benefit protection**
- **Optional living and death benefits**



# Variable Annuity with an Optional Living Benefit

Guaranteed annual income is based on a percentage of your actual account value or your Protected Withdrawal Value, whichever is higher.



The benefit payment obligations arising under the annuity contract guarantees, rider guarantees, or optional benefits and any fixed account crediting rates or annuity payout rates are backed by the claims-paying ability of the issuing insurance company. Those payments and the responsibility to make them are not the obligations of the third party broker/dealer from which this annuity is purchased or any of its affiliates. They are also not obligations of any affiliates of the issuing insurance company. None of them guarantees the claims-paying ability of the issuing insurance company. All guarantees, including optional benefits, do not apply to the underlying investment options.



# Things to Consider About Variable Annuities

Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial professional can provide you with complete details.

A variable annuity is a long-term investment designed to create guaranteed income in retirement. Investment returns and the principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original investment. Withdrawals or surrenders may be subject to contingent deferred sales charges. Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59½, may be subject to an additional 10% federal income tax penalty. Withdrawals, other than from IRAs or employer retirement plans, are deemed to be gains out first for tax purposes. Withdrawals can reduce the account value and the living and death benefits.

Variable annuities offered by Prudential Financial companies are available at a total annual insurance cost of 0.55% to 1.85%, with an additional fee related to the professionally managed investment options. HD Lifetime Income is available for an additional annual fee of 0.95% based on the greater of the account value and the Protected Withdrawal Value. Please see the prospectus for additional information.

Optional living benefits may not be available in every state and] may not be elected in conjunction with certain optional benefits. Optional benefits have certain investment, holding period, liquidity, and withdrawal limitations and restrictions. The benefit fees are in addition to fees and charges associated with the basic annuity. Please see the prospectus for more information.

# Don't Go It Alone. Get Help Preparing for the Future.

***Just one-third of women have a detailed financial plan in place, and, among the youngest segment (ages 25-34), just 1 in 10 has a financial plan in place.***

- Barriers to developing a detailed financial plan include lack of time, the pull to meet shorter-term financial obligations, lack of knowledge, and for many, an unmet desire for assistance.

# Don't Go It Alone. Get Help Preparing for the Future.

## More than half of women surveyed are very willing to have retirement planning decisions made by others.

- This wish is often complicated by a lack of trust, as only 19% are very comfortable letting a financial professional lead their financial planning.
- Over six in 10 rely on family and friends, rather than financial professionals, for investment information.

**Yet those who currently use financial professionals are more likely to feel that they are financially on track than those who go it alone.**

# Putting Together Your Retirement Game Plan

**The decisions you make now are at the heart of determining your long-term financial security, as well as that of your family.**

- **Define your retirement goals**
- **Schedule a meeting with a financial professional today to help you create and implement a plan for retirement**
- **Choose a partner you can trust**
- **Choose a partner who understands the unique financial challenges women face**

# Prudential Annuities is Committed to...

...guaranteeing retirement income to the American investor



## Prudential Annuities:

- Recognized name and leading provider of variable annuities
- Innovator in income protection
- Dedicated to offering diverse investment strategies

# Consult with a Financial Professional Today



Kashif A. Ahmed  
President

AMERICAN PRIVATE WEALTH  
781/300 – 7777  
[www.AmericanPrivateWealth.com](http://www.AmericanPrivateWealth.com)

American Private Wealth is here to help you address the challenges you face in retirement

- Longevity
- Rising Costs
- Market Uncertainty

***“Investors who use an advisor are more likely to have a financial plan and are more likely to have found that plan useful over the latest downturn.”***  
– 2009 CSA Investor Index Survey

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# Q & A

*Highest Daily Lifetime Income uses a predetermined mathematical formula to help us manage your guarantee through all market cycles. Each business day, the formula determines if any portion of your account value needs to be transferred into or out of the AST Investment Grade Bond Portfolio (the "Bond Portfolio"). Amounts transferred by the formula depend on a number of factors unique to your individual annuity and include:*

- (i) The difference between the account value and the Protected Withdrawal Value;*
- (ii) How long you have owned Highest Daily Lifetime Income;*
- (iii) The amount invested in, and the performance of, the permitted subaccounts;*
- (iv) The amount invested in, and the performance of, the Bond Portfolio; and*
- (v) The impact of additional purchase payments made to and withdrawals taken from the annuity.*

*Therefore, at any given time, some, most, or none of the account value may be allocated to the Bond Portfolio. Transfers to and from the Bond Portfolio do not impact any income guarantees that have already been locked in. The Protected Withdrawal Value is separate from the account value, and not available as a lump sum.*

*Any amounts invested in the Bond Portfolio will affect your ability to participate in a subsequent market recovery within the permitted subaccounts. Conversely, the account value may be higher at the beginning of the market recovery; e.g., more of the account value may have been protected from decline and volatility than it otherwise would have been had the benefit not been elected. Please note: We are not providing investment advice through the formula. You may not allocate purchase payments or transfer account value into or out of the Bond Portfolio.*

**Investors should consider the contract and the underlying portfolios' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional. Please read the prospectus carefully before investing.**

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