The Guide to

# Maximizing Your Income

Make the most of opportunities now, later, and throughout your lifetime.

# Earning income is just the start.

You probably feel the pressure already. Inflation, market fluctuations, rising healthcare costs — the list goes on. One thing is for sure: You can't always predict how far your dollar will go, especially in times like these.

> **More than ever, it's important to focus not just on earning income, but making the most of your money.**

Finding ways to help maximize your income can play a big role in your financial security down the line. Fortunately, there are actions you can take now, and at every phase of life.

In this guide, you'll find practical strategies for helping your income work harder and go farther.

Discover ideas to implement during your peak earning years all the way through retirement — and start feeling more confident about your financial future today.

# Get more out of your money.

## Here's how:



## Let's get started.

STRATEGY #1

# Leverage your peak earning years.

Your 40s and 50s are the optimal time to focus on financial growth. Why? All your hard work is finally paying off — you're likely climbing to new heights in your career and unlocking bigger financial opportunities along the way. Here are some ways you can use this high-earning time of your life wisely:

**Increase contributions to your retirement accounts.**
Put higher earnings to good use by contributing more from each paycheck to your 401(k), IRA, Roth IRA, or other accounts.

**Minimize lifestyle inflation.**
Just because your income goes up, doesn't mean your living expenses should, too. Keep unnecessary costs in check to boost savings.

**Prioritize high-impact investments that align with long-term goals.**
These are the years when many people have the extra financial cushion (and time before retirement) to consider higher risk investments.

## How do your savings stack up?

Americans in their 50s have a retirement balance of

**$456,712**
*Median balance*

**$964,107**
*Average balance*

Source: "Average retirement savings by age," Empower, January 2025.

STRATEGY #2

# Use bonuses and windfalls strategically.

Expecting a performance bonus at work? Maybe equity compensation from an employer? Thinking strategically about how you allocate these funds can put you on the fast track to building wealth and long-term financial stability. When a large sum of money comes your way, consider these tactics:

### Diversify fund allocation.

AKA don't put all your eggs in one basket. Instead, choose different investments according to different financial goals, like paying down debt, investing, and bolstering emergency savings.

### Think long term.

Before your mind wanders to fun purchases, consider ways you could use funds to jumpstart your future goals, like education, retirement, or investing in your primary residence.

### Get proactive with your equity compensation.

When managing vested RSUs, ESPP shares, or stock options, it's a good idea to have a comprehensive plan. Consider how this wealth fits into your overall financial situation, whether that means holding for the long haul, or diversifying into investments that better align with your risk tolerance.

STRATEGY #3

# Implement tax-efficient investment strategies.

With some smart tax planning, you can help maximize what you make, plant the seeds for long-term capital growth, and even save toward future goals, like funding education, or caring for a special needs child or aging parents.

Here are some ways to boost your tax efficiency:

**Harvest investment losses to offset gains.**
Offloading underperforming investments can help lower the amount of taxes you'd ordinarily pay on gains you made during the tax year, and you may be able to offset some earned income, as well.

**Save early for education.**
Consider using tax-advantaged accounts like 529 plans to prepare for future education costs. Consistent contributions can grow over time, and qualified withdrawals are tax free.

**Balance your asset allocation.**
Strive to minimize or defer taxes on generated income by placing tax-inefficient investments in tax-advantaged accounts.

**Pay into tax-advantaged accounts.**
Take full advantage of opportunities to put a portion of your earnings into 401(k)s, IRAs, and HSAs.

*(And don't forget about employer matching programs.)*

STRATEGY #4

# Maximize your retirement income.

Retirement should be spent doing the things you love, not worrying about your next paycheck. That's why it's important to find ways to turn the savings you already have into sustainable income streams that last throughout your retirement years. Here are some strategies for creating greater income security:

**Optimize Social Security.**
Exactly when you start your Social Security payout can have a big impact on your total lifetime benefits. Not sure how to find the perfect time? A financial professional can help.

**Consider purchasing annuities.**
Want more peace of mind in retirement? Annuities can be a great tool for creating sources of guaranteed income for life.

**Opt for permanent life insurance.**
Unlike term life insurance, permanent life insurance accrues cash value that you can use to supplement your cash flow in retirement.[1]

**Strategically draw down investments.**
Reduce tax liability by making a long-term plan for withdrawals from investments over time. Account for factors like inflation, longevity, your desired lifestyle, and IRS-required minimum distributions (RMDs), which can impact your taxable income and withdrawal strategy in retirement.

## Withdraw wisely.

**Did you know?** According to research, a 3.7% initial withdrawal rate from retirement portfolios offers a 90% probability of sustaining funds over a 30-year period.

Source: "Retirement Income Planning: The Financial Advisor's Playbook," Morningstar, April 2025.

[1] Access to cash values through borrowing or partial surrenders will reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

## Ready to maximize your income? Let's connect.

A financial professional can help tailor these strategies to your personal goals. Start a conversation today to unlock your financial potential.

The information provided is not written or intended as tax or legal advice. I am not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel. Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.

Securities offered through qualified representatives of MML Investors Services, LLC., Member SIPC. 1295 State Street, Springfield, MA 01111-0001.



WM1063_CN 725 MM202807-312928