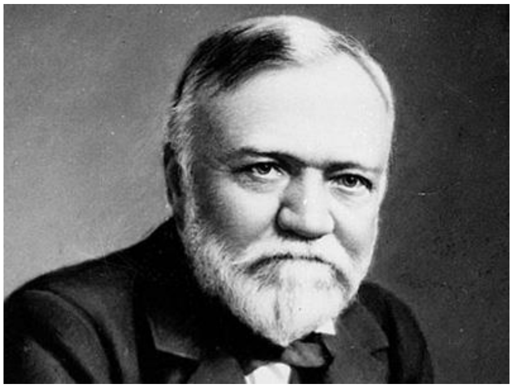

# Why More People Are Turning to Andrew Carnegie's Weird "Wealth Machine" to Help Secure Their Retirements

- The Editors Retirement Income Insider

During his lifetime, Andrew Carnegie became one of the wealthiest men on the planet.2 Before he began giving away his wealth, his net worth was valued at $480 million -- the equivalent of about $309 billion2 in today's dollars.

It's been almost 100 years since Carnegie died. Today, he is remembered most for building Carnegie Hall in New York City and establishing the modern U.S. library system. Both are still in existence today, a remarkable testament to Carnegie's legacy.1

But did you know Carnegie created something else before he died that's helped tens of thousands of people to secure their retirements?

Carnegie had a soft spot for American educators. He wanted to help provide them with financial stability in their old age. So in 1918, he gave $10 million to set up America's very first company to sell annuities and low-cost life insurance to help support college teachers.3

**From $10 Million to $279 Billion…**
Carnegie's fledgling annuity company started with $10 million. Today it is worth an astounding $866 billion. It is now called the Teacher's Insurance and Annuity Association - College Retirement Equities Fund, or TIAA-CREF for short.4

Think about that. The TIAA-CREF was started nearly 100 years ago, and it still exists today.

That means it survived the stock market crash of 1929 and the Great Depression that followed. It survived Black Monday in 1987. And it survived the more recent financial meltdown of 2008 and 2009.

In fact, it has survived all the booms and busts of the last 100 years! That's an amazing track record.

The only reason Carnegie's annuity company and vision have survived so long is because the company make conservative investments in order to fulfill promises to its policy-holders. Even today, insurance companies who issue annuities don't gamble or make risky investments. They play it safe so they can continue paying out guaranteed* payments every single year.

**Ben Bernanke's Shocking Retirement Secret**
Before Ben Bernanke became the chairman of the Federal Reserve, he taught economics at Princeton University. While there, he set up two annuities through the annuity company Carnegie founded.5

Apparently, Bernanke's retirement strategy didn't change a bit when he took over at the Fed because his two largest assets are still the annuities he set up while working at Princeton. Each of these annuities were valued in 2012 between $500,001 and $1 million.5

While other experts have criticized Bernanke's conservative approach to retirement investing, maybe the better approach is to ask a question: *Why would the man who was head of the most powerful financial institution in the world choose to invest in annuities?*

The answer to this question will become clear when you compare average retirement savings to one particular group of people.

**The Surprising Reason Why College Professors Have More Saved for Retirement than You**
Ben Bernanke isn't the only one who is benefiting from owning fixed and variable annuities. Many college professors and other higher education professionals have purchased annuities from the company originally set up by Andrew Carnegie.

And the proof is in the pudding.

In a 2013 study conducted by TIAA-CREF, they discovered that 75 percent of tenured and tenure-track faculty felt very or somewhat confident they will have enough money to live comfortably throughout their retirement years, compared to 49 percent of workers overall.

**The 8th Wonder of the World**
Famous academic Albert Einstein once said, "Compound interest is the eighth wonder of the world. He who understands it, earns it… he who doesn't… pays it."7

Einstein put his money where his mouth was by purchasing annuities way back in 1933 when they were still a relatively new investment vehicle.

Annuities exist to provide people with a predictable income stream* every single year during retirement.** Many of them come with guaranteed* interest rates.

Just one bad year in the stock market can take years to recover from. But protected, predictable compound growth -- like that provided by fixed and fixed-index annuity contracts -- can provide retirees and pre-retirees with more stable finances in retirement and greater financial confidence.

That's why Einstein purchased annuities. It's why Ben Bernanke purchased annuities. And its why thousands of higher education professionals put money into annuities every year. Maybe annuities are worth a closer look after all.

**Annuity guarantees rely on the financial strength and claims-paying ability of the issuing insurer.*

***Some annuities may have a lifetime income guarantee as part of the base policy; others may have riders available that provide this benefit. Riders may also be available for benefits like an annual increase to help combat inflation or for as much as doubling your income in case of a qualifying health event. Riders require an additional premium.*

*This is meant to provide general information on issues that many people consider in making the decision as to whether or not they should buy annuities; and if they do decide to buy, which types of annuities and which annuity benefits and additional riders will best suit their goals and needs. This information is not designed to be a recommendation to buy any specific financial product or service.*

*Sources:*


*1 "Andrew Carnegie's Legacy." Carnegie Corporation of New York, Accessed 7/08/2015.*

*2 Lubin, Gus. "The 13 Richest Americans of All Time." Business Insider, 4/17/2011.*

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*4 "Who We Are." TIAA-CREF Financial Services, Accessed 7/08/2015.*

*5Wood, Maria. "What if Ben Bernanke Owned a SPIA?" LifeHealthPro .com, 9/10/2012*

*6 Yakoboski, Paul, and Valerie Martin Conley. "Retirement Plans, Policies and Practices in Higher Education." Trends and Issues, TIAA-CRED Institute, 03/2013.*

*7 "Compound Interest: the eigth wonder of the world." The Telegraph, 11/24/2014.*