RETIREMENT 101, PART 8: YOU'VE RETIRED, NOW WHAT?

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In this installment of the Retirement 101 Blog series, we'll discuss what to do once you're ready to access your income during retirement. Many people look at retirement as a single event they are planning for. But retirement is really only the beginning of the next part of your journey—and the planning doesn't end once you get there. As you approach – or enter – retirement, you need to determine the best way to take income without depleting all your assets. You will likely want to reduce the risks you're taking with your investments and increase your focus on options that generate income. Perhaps you're thinking about bonds, as they provide regular income. But in today's environment, individual bonds may not provide the income level you need. One option is to consider bond exchange-traded funds (ETFs). Bond ETFs may provide more income than individual bonds, since they may invest in a variety of bonds with different interest rates, maturing at different times. They can provide professional management and other benefits as well. And as we've discussed previously, ETFs can offer lower fees, transparency and many other potential benefits that can make them strong choices for retirement. Another option is to consider dividend ETFs. In today's economy, dividend-paying stocks may offer higher yields than bonds. And dividend ETFs, such as those from WisdomTree, which are weighted by the ***Dividend Stream®*** rather than by market cap, may offer even more income. And this fact alone can make a significant difference in a portfolio's ability to generate income. For example, the dividend-weighted portfolio below generates approximately 30% more dividend income and almost 1% more dividend yield than the market cap-weighted option. What's more—it does this using the same three stocks and the same initial investment.

				MARKET CAP WEIGHTING			DIVIDEND WEIGHTING		
Company	Market Cap[1] (Bil.)	Dividend Stream (Bil.)	Dividend Yield	Market Cap Weight	Investment	Dividend Income	Dividend Weight	Investment	Dividend Income
A	$400.00	$10.00	2.5%	50.0%	$500,000	$12,500	40.0%	$400,000	$10,000
B	$200.00	$3.00	1.5%	25.0%	$250,000	$3,750	12.0%	$120,000	$1,800
C	$200.00	$12.00	6.0%	25.0%	$250,000	$15,000	48.0%	$480,000	$28,800
Totals	**$800.00**	**$25.00**			**$1,000,000**	**$31,250**		**$1,000,000**	**$40,600**

For illustrative purposes only.

[1] Market capitalization is calculated by multiplying a company's shares outstanding by the current market price of one share.

Both bond ETFs and dividend ETFs can provide more regular income, offering monthly or quarterly interest or dividend payouts, respectively—critical when you're looking for regular income in retirement. This concludes our Retirement 101 ETF educational blog series. To learn more about retirement income, dividend weighting, WisdomTree ETFs or other investment topics, please visit www.wisdomtree.com. *Read our 401(k) series here.*

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Transparency : The extent to which investors have ready access to any required financial information about a company, such as price levels, market depth and audited financial reports.

Dividend Stream : Refers to the regular dividends per share multiplied by the number of shares outstanding.