



March 21, 2013

T. Rowe Price Introduces Social Security Calculator

Social Security Benefits Evaluator Helps Users Determine an Appropriate Social Security Strategy That Aligns With Their Financial Goals

BALTIMORE, March 21, 2013 /PRNewswire/ -- T. Rowe Price (Nasdaq:TROW) has launched the [Social Security Benefits Evaluator](#), a free online Social Security calculator designed to help individuals decide what Social Security strategy may be suitable for their financial goals. The calculator is available at troweprice.com/socialsecurity.

To view the multimedia assets associated with this release, please click <http://www.prnewswire.com/news-releases/t-rowe-price-introduces-social-security-calculator-199237901.html>

Prompted by the need to consider how Social Security fits into an individual's overall retirement income strategy, T. Rowe Price created the calculator to offer guidance on how an individual's goals can help determine when and how to take Social Security. The calculator not only estimates Social Security income, but also presents potential approaches for taking benefits based on the users' goals and allows them to compare results of different [Social Security strategies](#).

Many Social Security recipients may not realize that they could potentially receive more income or cater that stream of income to their needs by choosing one strategy over another. The calculator aims to help them better understand these choices and think about them in context of their retirement income needs.

Social Security Facts

- Deciding when and how to take Social Security can potentially add hundreds of thousands of dollars to retirement income. Social Security increases approximately 7% to 8% each year benefits are delayed, between ages 62 and 70.
- Seventy-four percent of retired workers claim benefits prior to their full retirement age and consequently receive reduced benefits.*
- For many, Social Security is the only source of guaranteed retirement income.
- Social Security benefits provide the largest source of aggregate income (37%) for those age 65 and older.*
- Seventy percent of respondents surveyed feel somewhat or very knowledgeable about Social Security, but less than 20% actually scored well on a Social Security literacy test.**
- The Social Security Handbook has more than 2,700 separate rules governing the program's benefits.

Calculator Details

- The Social Security Benefits Evaluator prompts users to choose a goal for their Social Security income. Married couples can select one of seven goals, ranging from, "we want to maximize cumulative benefits as a couple" to "we want to minimize the drop in income for the surviving spouse." Singles can select one of three goals.
- After users provide some background information and choose a goal, the calculator offers a Social Security benefits strategy and estimates Social Security income based on the strategy.
- Income is shown as an annual cash flow as well as a cumulative total to help users understand how the stream of income can be taken differently depending on their specific needs.
- Users can easily change their goals and compare how different strategies can generate different income streams throughout retirement.
- A glossary of more than 56 Social Security terms is provided in the right navigation pane of the tool to help users understand the jargon commonly used when discussing benefits.
- The calculator is an appropriate resource for singles who are evaluating benefits based on their own work history, married couples with no more than six years' difference in age, and financial advisors who want to provide Social Security guidance to their clients. Retirement plan sponsors may also see the tool as an effective, no-cost resource for their participants.
- T. Rowe Price will be continually evaluating opportunities to improve the calculator's capabilities and encourages users to provide feedback by accessing the "Feedback" link displayed after going through the tool.

Quotes

[Christine Fahlund](#), CFP[®], Ph.D., senior financial planner with T. Rowe Price:

"Social Security is more important and complicated than many realize. We give a lot of attention to developing an appropriate investment strategy, but not enough attention is given to formulating an appropriate Social Security strategy."

"Many Social Security recipients may be leaving money on the table. We hope this tool begins to spark conversations about the choices pre-retirees are faced with when deciding when and how to claim benefits. People need to understand that the strategy they choose for taking their Social Security benefits needs to be based on their financial goals."

About T. Rowe Price

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc. (troweprice.com) is a global investment management organization with \$576.8 billion in assets under management as of December 31, 2012. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research.

*Social Security Administration

** Greenwald, M., A. Kapteyn, O.S. Mitchell, and L. Schneider (2010). "What Do People Know About Social Security?" PRC Working Paper 2010-41. Pension Research Council/ The Financial Literacy Center (<http://pensionresearchcouncil.org/publications/document.php?file=931>)

Related Links

[Follow us on Twitter](#)

[Like us on Facebook](#)

[Watch us on YouTube](#)

SOURCE T. Rowe Price Group, Inc.

News Provided by Acquire Media