

# A \$6 Trillion Opportunity!




FUTURE

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# A \$6 Trillion Opportunity!

*Help Your Clients Maximize Their Savings with Fixed Indexed Annuities.*

## Making the Case for Fixed Indexed Annuities Over Money Market Accounts

In the current economic climate, investors seek safe, growth-oriented financial products that offer both security and potential for higher returns. While Money Market Accounts (MMAs) are traditionally favored for their liquidity and safety, they often fall short of providing substantial growth. Fixed Indexed Annuities (FIAs) offer a compelling alternative, combining the benefits of principal protection, growth potential, and tax advantages.

### 1) Higher Potential Returns

- **Money Market Accounts:** Typically offer very low interest rates, often ranging from 0.01% to 0.25% annually. These rates barely keep up with inflation, leading to minimal real growth over time.
- **Fixed Indexed Annuities:** Linked to the performance of a market index (e.g., S&P 500), FIAs offer the potential for higher returns without direct exposure to market risks. Historical averages for FIAs often range from 3% to 7% annually, providing a much better opportunity for growth.

### 2) Principal Protection

- **Money Market Accounts:** FDIC/NCUA insured up to \$250,000 per depositor, per institution, ensuring the safety of the principal.
- **Fixed Indexed Annuities:** While not FDIC insured, FIAs offer principal protection through the issuing insurance company. The principal is protected from market downturns, meaning investors do not lose money due to market declines.

### 3) Tax-Deferred Growth

- **Money Market Accounts:** Interest earned is taxed annually as ordinary income, which can erode the net return over time.

- **Fixed Indexed Annuities:** Earnings grow tax-deferred until withdrawal. This allows the investment to compound more efficiently, potentially leading to significantly higher accumulated value over time.

#### 4) Lifetime Income Options

- **Money Market Accounts:** Do not offer structured income options. They are primarily used for short-term savings and liquidity.
- **Fixed Indexed Annuities:** Can be equipped with income riders that provide a guaranteed lifetime income stream. This is particularly beneficial for retirees seeking a stable and predictable income source that cannot be outlived.

#### 5) Inflation Protection

- **Money Market Accounts:** Fixed interest rates on MMAs often fail to keep pace with inflation, diminishing the purchasing power of the funds over time.
- **Fixed Indexed Annuities:** Some FIAs offer features that can help protect against inflation, such as increasing income payments or index-linked growth that can outpace inflation rates.

#### 6) Structured Flexibility

- **Money Market Accounts:** Offer high liquidity with easy access to funds, though there may be withdrawal limits.
- **Fixed Indexed Annuities:** While they typically have surrender periods with penalties for early withdrawals, many FIAs allow penalty-free withdrawals up to a certain limit annually. Additionally, the structured nature of FIAs can help clients adhere to long-term financial plans.

#### 7) Competitive Edge in Retirement Planning

- **Money Market Accounts:** Suitable for short-term savings and emergency funds but offer little in terms of strategic retirement planning.
- **Fixed Indexed Annuities:** Provide a balanced approach to retirement planning with the potential for growth, protection from market volatility, and guaranteed income streams, making them an excellent tool for long-term financial security.

Fixed Fixed-indexed annuities offer a multifaceted approach to financial growth and security that money market accounts simply cannot match. By combining the potential for higher returns, principal protection, tax-deferred growth, and the option for guaranteed lifetime income, FIAs present a robust solution for investors aiming to enhance their financial well-being.

Financial advisors should consider the significant advantages FIAs hold over MMAs and recommend them to clients seeking a more effective means of growing and securing their investments.

For more information on how Fixed Indexed Annuities can benefit your financial strategy, contact NFI Solutions to speak with an expert who can guide you through the advantages and options available with FIAs.