The Glasses of Water

Guaranteed income now, or larger growth later? A simple way to picture the allocation trade-off — and why there's no single right answer.

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Agent ID 1115217 · Agency KP100054 · MyVintej — Plan Wisely, Act Brilliantly

Some financial ideas need a spreadsheet. The most important ones need a kitchen table. This is a kitchen-table idea, and it explains the single most personal decision in savings planning — better than any chart I know.

The jug and the glasses

Imagine your savings plan as a jug of water you have spent years filling. Every year, the plan pours you a glass of water — an income payout. And every year, you face the same quiet choice:

- » Drink the glass now. Take the payout as cash — certain, refreshing, useful today. School fees get paid, a parent gets supported, life gets a little easier. But the jug stays the same size.
- » Pour it back into the jug. Reinvest the payout. You feel nothing today — but the jug grows, and because future pours draw from a bigger jug, every glass after this one is larger.

> *“Drink today's glass, and today is better. Pour it back, and every future glass is bigger. Both are right — for different thirsts.”*

What the choice is really about

Strip away the jargon and every allocation decision — guaranteed versus growth, income versus accumulation — is this same trade-off wearing different clothes. Behind it sit three real questions:

- » Thirst today vs thirst tomorrow. Are there needs the income should meet now — or is your salary still covering life comfortably, making the payout idle money that could be compounding?
- » Certainty vs size. A guaranteed payout taken today is a certainty; a reinvested payout is a larger but later number. Neither is free: certainty costs growth, growth costs waiting.
- » Inflation's side of the table. A glass drunk today is drunk at today's prices. Water left in the jug must grow faster than prices rise, or the future glasses only look bigger.

Different seasons, different answers

This is why there is no single right answer — only a right answer for your season. A 35-year-old in strong earning years usually pours back: the salary covers life, and time is exactly the ingredient that makes reinvested glasses enormous. A 60-year-old usually drinks: the whole point of filling the jug was this. And many families in between do both — drink part of the glass for a real commitment (a child's fees, a parent's care) and pour the rest back. The allocation can change as life changes; that is a feature, not indecision.

Where you meet this choice in real plans

THE CHOICE, BUILT INTO A PLAN

PRUElite Flex — take the income, or grow it

PRUElite Flex pays a guaranteed annual income ("FlexIncome") up to age 100 — and each year the glass-of-water choice is literally yours: take it as cash, or leave it to accumulate and compound for larger future income. Plans in the PRUCash family pose the same choice with their guaranteed annual cash payouts — spend the payout, or redirect it back into your savings. Values and options are always as per your personal Sales Illustration.

How we decide, together

In a Wealth Planning Cashflow session we lay your real life on the table — income, commitments, goals with dates on them — and the right split usually reveals itself. The glasses metaphor does its best work here: once you can see which years your family will be thirsty, deciding what to do with each glass stops being a financial puzzle and becomes common sense.

There is no prize for drinking every glass, and no prize for never drinking at all. The prize is a jug that matches your family's thirst — in every season of its life.

Let's talk about your numbers

No pressure, no obligation — just a conversation about what you read here, or about your own numbers. Every article on MyVintej can become a conversation.

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Sources & further reading

– Prudential Assurance Malaysia — PRUElite Flex product page (prudential.com.my)
– Prudential Assurance Malaysia — PRUCash Enrich & PRUCash Double Reward product pages