

retirement

Baby Boom—Or Bust?

**They grew up in prosperous times and lived life to the hilt...
but have baby boomers saved enough for retirement?**

In the eighteen years between 1946 and 1964, over 78 million babies were born in the United States. World War II had been good for the American economy, pulling it out of the Great Depression for good. During the “fabulous 50s,” unprecedented industrial growth provided steady employment and rising incomes. The four-child family became the ideal, along with a house in the suburbs, two cars in the driveway, and that wonderful new invention, the television, in the living room. One-income families were the norm—and for the middle class at least, one paycheck was enough to supply families with an increasing number of luxuries and new experiences.

While many boomers have invested wisely for retirement, the majority have just not saved enough. There have been incredible social and economic changes since the 1950s, when boomers grew up with an innocent confidence that life could only get better. Unlike their fathers, who were likely to stay with one company and draw a sizable pension, many boomers have job-hopped—sometimes out of boredom or a desire to find work that would make them happy, and sometimes because of mergers, layoffs, outsourcing, and early-retirement buyouts.

Skyrocketing housing, education, and healthcare costs have depleted retirement nest eggs as boomers have found themselves sandwiched between college expenses for their children and care for their elderly parents. The increased frequency of divorce has also left many boomers with much less in their IRAs and 401Ks than they thought they would have.

Then there are those who have put aside nothing at all. Perhaps they followed the advice in the popular 70s song “Cast Your Fate to the Wind.” Or perhaps they lived paycheck to paycheck and simply never had anything to save.

Financing Retirement: How Much Will You Need?

In 2008, the oldest of those 78 million boomers will turn 62 and will qualify for reduced-rate social security payments. In the decades that follow, more and more will qualify. As most people know, social security replaces only about 40% of pre-retirement income. Investment advisors suggest that retirees will need 60-80% of their pre-retirement income in order to maintain a comparable lifestyle. But that assumes that their expenses will decrease—that retirees will simply put themselves on austerity budgets and make up the shortfall. Unfortunately, even if they want to be more frugal, it won't be easy. Supplemental Medicare policies and long-term care insurance are new expenses retirees must absorb, and property taxes, home and auto insurance, energy costs, and food expenses will all continue to rise.



The Worst That Could Happen...

Boomers' biggest fear is that a healthcare crisis will use up funds they've set aside for retirement. Medical advances allow people to live much longer than in the past, but their quality of life is often not the best, and spending for prescriptions that prolong life is through the ceiling. Boomers are worried about living out their final years in an unpleasant but expensive nursing home, or having to ask their children for help. This fear is another factor that fuels the desire to accumulate just a little bit more money and take less from retirement nest eggs so they'll be able to grow and the funds will be available when work is no longer an option.

How will boomers find needed funds in retirement?

An Associated Press survey reported that the majority of boomers hope to retire from their current jobs at around age 63. However, 66 percent anticipate they will work for pay after retiring. Twenty-seven percent will continue to work out of financial necessity, 43 percent because they can't picture "sitting around doing nothing," and 19 percent so that they will have money available for extras they could not afford on their retirement income.

The majority of boomers foresee neither full-time leisure nor full-time retirement, but a combination of both. With 30 years of retirement a real possibility, they are looking for challenges, not rocking chairs. Some plan to launch new careers or use their skills as volunteers. Others say they will go back to school, start their own businesses, or try to turn a profit from a hobby.

Are You a "Wealth Builder"—or "Stretched and Stressed"?

In *The New Retirement Survey*, Harris Interactive® and Age Wave questioned a diverse population and identified five different types of soon-to-be retiring boomers: the "Empowered Trailblazers," the "Wealth-Builders," the "Leisure Lifers," the "Anxious Idealists" and the "Stretched and Stressed."

- About 18% were "Empowered Trailblazers," people who look forward to retirement because they see it as a progression to another phase of life. About 90% in this group plan to work some after retirement, but they will also be busy with travel, volunteering, taking or teaching classes, and generally enjoying anything new that comes along.
- "Wealth Builders" (20%) are looking for more financial security for themselves and their families, and money is the main reason 79% will continue to work after official retirement.
- "Anxious Idealists" (13%) worry that they do not have enough money to retire, especially since they want to leave an inheritance for their children and a legacy to charitable organizations.
- "Leisure Lifers" (13%) just want to relax. They're sick of work, probably never liked their jobs, and definitely don't want to work after retirement. They had low income levels and did not save enough, but they figure "someone will do something" to help them if they get into trouble.
- The "Stretched and Stressed" (18%) are well aware that they have not saved enough for retirement. They will work because they have to, but they don't look forward to it. This group is the least optimistic.

You have an 82% chance of identifying with a group that feels it needs more money for retirement. With the economy in constant fluctuation and costs of necessities rising steadily, it's no wonder that most people fall into the "I need more money" category. Peace of mind means knowing not merely that you will somehow be able to survive, but that you'll have the funds to allow you to enjoy the happy retirement envisioned by the "Empowered Trailblazers."



YOU Control Your Future.

Fortunately, no matter how old you are right now, it is very possible to become a "Wealth Builder." This doesn't mean you have to become a workaholic or even keep working full time. Instead, you can build an income generator that will provide funds for you to invest now and to fund your retirement for many years into the future. And you can do it in the privacy and comfort of your own home, or even from your RV or vacation hotel. As long as you have Internet access and a telephone, you can build a successful business that will quickly transport you from a state of anxiety and pessimism about retirement to one of financial confidence and security—ready to enjoy the rest of your life in a style you may never have imagined possible.

Is there still time? Absolutely. Obviously, the sooner you get started, the better.

A team of skilled business professionals is ready to take you through the steps of building a home business that can free you from worrying about the future. If you are ready to take control and secure your financial future, you've come to the right place.