

Will 80 become the new 65?

During a campaign flight in May, reported the *New York Times*, President Obama read to his aides “the best letter of the day” from a constituent. It was from a 90-year-old Florida man, who wrote that he was looking for work in sales and marketing. “I’m rounding third but not ready to slide into home,” the gentleman concluded.

One would hope that most 90-year-olds have been long retired, but the economy and the financial markets have not been cooperating lately. In a recent survey of middle-class Americans reported by *CNN Money*, the median stated savings goal for retirement was \$350,000. Unfortunately, the same survey reported that 30% of those in their 60s had saved less than \$25,000 for their retirement. They don’t have much time left to make up the shortfall.

To bridge the difference, fully three-quarters of the respondents said that they expect to work during their retirement. Some will work because they enjoy it, but for most it will be a financial necessity. And 25% said that they will need to work until at least age 80 before they can retire with financial security.

The affluent are expecting to delay retirement as well, according to another recent survey, this one reported by *Financial Planning* magazine. Some 57% of consumers with investable household assets of \$50,000 to \$250,000 expect to push back their retirement date, up sharply from the 42% who reported this concern in January 2011. Some 34% report that they’ve already had to tap their long-term savings to cover short-term financing needs. Key concerns:

- rising cost of health care (89%);
- retirement assets will run out (83%); and
- desired retirement lifestyle will be unaffordable (80%).

There are no easy answers for these concerns. No question, this is a challenging time, both for current retirees and those who hope to retire in the next few years. If you are worried about the sufficiency of your retirement capital, and how best to manage it, we are available for a consultation.

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