

# 401K Specialist

## Boomers Ill-Prepared For Retirement Rude Awakening

Many lack sufficient savings, yet expect to live a comfortable retirement



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For many **Baby Boomers**, retirement isn't looking so hot. In fact, almost three-quarters anticipate working past retirement age, according to a new study.

This is unfortunate, to say the least, but here's something extra concerning: **insufficient savings** and inadequate planning may leave many in financial dire straits. To add insult to injury, most Boomers don't even see it coming.

A recent **NHP Foundation** survey of 1,000 working Americans ages 50 and older found 70 percent of respondents are somewhat confident they will experience a desirable retirement. However, 31 percent of respondents have yet to prepare a retirement budget, and of those who have budgeted, 62 percent believe Social Security Income will account for half the money they'll need each month.

According to Richard Burns, president and CEO, The NHP Foundation, “There is a disconnect between Baby Boomers’ current financial status and where they perceive themselves in retirement. This ‘wishful thinking’ carries potential consequences that will likely have a large impact throughout all areas of the economy.”

While it’s admirable that the majority of Boomers intend to work later into life, enabling them to “achieve their desired retirement,” unforeseen health issues could potentially disrupt their plans. And regrettably, only 35 percent of those surveyed have budgeted for unforeseen health-related expenses.

Another priority for 85 percent of respondents is “aging in place,” or remaining in their current home after retiring. But Consumer Financial Protection Bureau data indicates “older homeowners owe almost double on their current mortgage than the same age group did a decade ago.”

What’s more disconcerting, “of the two-thirds of those surveyed that rent or have a mortgage, 76 percent either have no retirement budget or will rely on SSI for at least half of their income, though 83 percent still believe they will be able to age-in-place.”

There are an estimated 78 million Baby Boomers, around 10,000 of whom are reaching retirement age each day.

“Although this generation is statistically healthier and living longer than previously, it’s still startling to see people taking such a laissez-faire attitude to long-term health and retirement planning,” Paul Shapiro, tax consultant and financial advisor, commented in response to the report.