

## **SURVEY: Boomers Unprepared for Looming Retirement** **Over one-third have no retirement budget**

**March 20, 2018 – Washington, D.C.** –After a year of budget cuts to various federal government programs, and the potential for entitlement reforms on the horizon, an already weakened social safety net could become even weaker, which prompted The NHP Foundation, a not-for-profit provider of service-enriched affordable housing, to ask how financially confident are Baby Boomers as they grow nearer to retirement.

This new survey of 1000 non-retired Americans aged 50+ identifies a serious disconnect between saving and planning for retirement and actually affording a desirable lifestyle.

Of the estimated 78 million Baby Boomers, about 10,000 hit retirement age every day, but according to The NHP Foundation data, **73% of Baby Boomers expect to delay retirement.** Compounding these findings, a **full 31% stated that they have not prepared a retirement budget**, while 62% of those who have budgeted stated that SSI (Social Security Income) will contribute to at least half of their monthly income.

### **Unforeseen health costs a factor**

While roughly three-quarters of Baby Boomers expect to delay retirement to continue working, an anticipated decline in health tends to cut those plans short for many. However, **65% of those surveyed stated that they have not budgeted for unforeseen health-related expenses.** Of those without a retirement budget and planning on SSI for at least half of their income, 72% noted that they have not accounted for unforeseen health-related expenses.

When parsing this data, tax consultant and financial advisor Paul Shapiro said, “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.”

### **Retirement reality vs. “wishful thinking”**

Juxtaposed to the above findings, **70% of those surveyed are at least somewhat confident that they will experience the retirement that they seek**, and out of those that expect to delay retirement, 63% believe they will achieve their desired retirement.

But, according to Richard Burns, President & 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.”

Data from the Consumer Financial Protection Bureau substantiates this. Older homeowners [owe almost double on their current mortgage](#), than the same age group did a decade ago, a likely driving force for



why well over a majority of Baby Boomers expect to delay retirement, and why “affordability” is the most essential housing aspect of retirement according to respondents, **with 60% ranking it as their greatest desire.**

### **What worries retirees most**

In order of importance, the three outcomes that worry prospective retirees the most are: an inability to afford quality healthcare (36%), dependency on children (28%), and being forced to choose a living situation inferior to their preference (22%).

**For 85% of those surveyed, their preference is the ability to continue living in their current home.** Of the two-thirds of those surveyed that rent or have a mortgage, 76% either have no retirement budget or will rely on SSI for at least half of their income, though 83% still believe they will be able to age in-place. Along with these findings, only 17% of those who have no retirement budget and will rely on SSI for at least half of their income, think they will have to move.

But the evidence shows that many will have to consider alternatives to aging in-place. These include everything from renting out a room (though less than 17% of those surveyed feel this is a likely option) to seeking out affordable housing. “Renting quality affordable senior housing may be the best answer for many older Americans,” continues Burns, “With 1 in 4 in desperate need of affordable housing, equating to 2,500 new retirees every day, there needs to be a priority to create an adequate supply of affordable rental housing for boomers now and in the future.”

For those approaching retirement who haven’t got a sound financial plan in hand, the need to take a hard look at available options and make decisions they can live with today and in the future, is paramount.

The NHP Foundation Baby Boomer survey is the fifth in a series. Other surveys have queried the general population about housing affordability, determining that [75% of the population worried at any given time about losing their housing](#) and millennials, finding that [76% of that group have made compromises in order to find affordable housing.](#) [See all previous data here.](#)

### **About The NHP Foundation**

Headquartered in New York City with offices in Washington, DC, and Chicago, IL, The NHP Foundation (NHPF) was launched on January 30, 1989, as a publicly supported 501(c)(3) not-for-profit real estate corporation. NHPF is dedicated to preserving and creating sustainable, service-enriched multifamily housing that is both affordable to low and moderate income families and seniors, and beneficial to their communities. NHPF also provides a robust resident services program to nearly 18,000 community residents. Through partnerships with major financial institutions, the public sector, faith-based initiatives, and other not-for-profit organizations, NHPF has 46 properties, including 7,969 units, in 15 states and the District of Columbia.