

# STAR BUSINESS

*A strong retirement plan leads to happily ever after*

By CHRIS K. COSTELLO  
and KEVIN M. CONARD  
Guest Columnists

Can't wait to retire? Let's face it, all of us have dreamt about how we plan to enjoy our retirement. But planning for retirement is harder than dreaming about it.

In fact, according to the Department of Labor, less than half of Americans put aside money specifically for retirement. Yet the average person will spend 18 years in this stage of life.

So, just what will retirement be like for the baby boomer generation?

According to a survey by Prudential Securities of 826 married Americans between the ages of 40 and 65, husbands and wives express optimism about what retirement will bring. Eighty-nine percent believe they and their spouses will become better friends when they retire, and 74 percent



Costello



Conard

## COMMENTARY

believe that their relationship with their mate will become more romantic.

An overwhelming majority feel that they and their spouses will agree on where to travel on vacation, where to live, how much time to spend with family members, how to spend leisure time, and how to spend their money when they retire.

At the same time, the couples surveyed have considerable reservations about how they and their spouses will adjust to retirement living.

For example, 54 percent of husbands who are the sole wage earners admit that it will be difficult for them to adjust to retirement, and 61 percent expect to have a hard time developing a new daily routine. Men and women surveyed

agree that men will have a harder time finding new friends, while women will find it tough to be perceived as senior citizens.

The greatest concern of husbands and wives about retiring, though, is not having enough money to live comfortably. An overwhelming 81 percent feel that they need to take more control over the planning of what they are going to do during their retirement, and 79 percent believe they need to take more control in preparing financially for this stage in their lives.

How much thought have you given to funding your retirement? Today, more than ever, planning is key to bringing your retirement dreams to fruition. Preparing a plan that takes into account both your finances and lifestyle can help you provide for this stage in your lives. In other words, you need a plan for living, a road map to guide you to your desired destination.

To create a plan for living, you and your spouse need to address the following questions:

■ What does my retirement dream consist of?

■ What are my priorities in retirement? Seeing the kids and grandkids? Visiting with friends? Volunteer work? A part-time job? Travel? Hobbies? Sleeping late?

■ Where do we want to live?

■ What do we want to do together/alone?

■ If we want to travel, where do we want to go?

Couples should discuss these retirement questions early on. By creating clear goals and priorities, you and your spouse can effectively invest in your retirement dreams.

People are increasingly recognizing that they have to be responsible for their own retirement — and that means saving and investing early on.

According to Prudential Securities' study, baby boomer couples are starting earlier to save for their retirement. Sixty-four percent of couples between the ages of 40 and 50 began saving for their retirement by age 34 — 35 percent began before they were 30. On the other hand, 55 percent of older couples — those between 51 and

See VIEW, D-13

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# VIEW: Plan well for retirement

## Continued from D-12

65 years of age — began saving after they turned 35, and 45 percent waited until 40 to begin.

There's certainly no shortage of retirement statistics these days telling you just how much money you'll need in retirement. Experts estimate that retirees will need, on average, 70 percent of their retirement income, and lower-earners will require 90 percent or more to maintain their standard of living when they stop working. Social Security pays the average retiree about 40 percent of pre-retirement earnings if you retire at age 65.

But the truth about retirement

may not be so ominous. The inflation forecasts built into many retirement projections may be excessive. While there are risks that Social Security will be less generous in the future, it is a long way from disappearing. Most importantly, a well-designed, long-term investment program can build the kind of savings most people will need to retire comfortably and keep the effects of inflation at bay. A financial adviser can help you formulate an investment program that is best suited to your retirement objectives, risk tolerance and financial goals.

Focus. Discipline. Strategy. If these words are not the first that

leap to mind when you think about retirement, think again. They can be the key to unlocking the retirement rewards you hope to enjoy. And while happily ever after may seem something that exists only in fairy tales, don't underestimate the power of a strong retirement plan. It can hold its own quite effectively with fairy godmothers, magic beans, Prince Charmings and the like in helping your dreams come true.