

# SOME “DON'TS” as You Prepare for Retirement

## Don't Retire Too Early

Before the “big day” comes, figure out a realistic household budget. Preferably, start living on that budget at least a year before you retire. Working a few more years—such as retiring at 70 rather than 62 or 66—may give you a much more secure future.

## Don't Hang on to Debt

It may surprise you how many people in their 70s and beyond are trying to juggle mortgage payments, vehicle loans, credit card debt, and school loans with only their monthly Social Security checks. Social Security was never designed to pay for these debts. It was intended to assist you in your senior years with the basics such as food, clothing, utilities, and transportation. Plan to pay off all your debts a minimum of five years before you retire. Debt and retirement do not mix well.

## Don't Neglect Your Spouse

If you have a pension,

sustentation, or other company retirement benefit with your employer, make sure your spouse's welfare is covered as well as your own, unless your spouse is independently wealthy.

## Don't Ignore Stock

It's predicted that during the next 10-20 years, American businesses will grow and so will their stock. You will need both “income and growth” stock in your portfolio. Cash and bonds can make up 50 percent.

## Don't Keep Your Mortgage

Retiring your mortgage before you retire is the most positive money consideration you can make as you plan for your golden years. Having a rent-free home or condominium is a must for retirement. If you are in your 50s, plan to shorten your home mortgage loan time from 30 to 15, or 15 to 7 years. Not only will you save a significant amount of interest, but you will know that shelter is assured in your senior years.

### Sources

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3. Ibid.

4. Hanson, Scott, “3 Unique Boomer Retirement Trends,” Jan. 27, 2017, <http://blog.money matters.com/3-surprising-trends-about-boomers-aging-and-retirement>.

5. Nauert, Rick, “Are Older Workers More Reliable?” <https://psychcentral.com/news/2013/08/06/are-older-workers-more-reliable/58101.html>.

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# The STEWPOT

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# WHO Stole Retirement?

BY GORDON BOTTING, DRPH, CHES, CFC

People used to look forward to their retirements. Your grandfather may have received a gold watch and celebrated at a retirement dinner with his colleagues. Not so for the generation of Baby Boomers (Americans born between 1946 through 1964), who are living longer than any other generation. The oldest Boomers will turn 70 this year, and they can expect to live at least another 15 years. One out of 10 will live to celebrate his/her 95th birthday (as compared to three out of 100 for the previous generation).<sup>1</sup> This longevity has changed the

way Baby Boomers view the world and what they expect out of their retirement years.

## Baby Boomers May Never Retire

People of retirement age are beginning to view this phase differently than previous

**“40 percent of workers 25 and older are not currently saving for retirement.”**

CNN MONEY

Sahadi, Jeanne, “CNN Money,” [http://money.cnn.com/2007/04/10/pl/retirement/ebri\\_survey\\_2007/index.htm](http://money.cnn.com/2007/04/10/pl/retirement/ebri_survey_2007/index.htm).



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# “Retire? Never! I’m going to stay in show business until I’m the only one left.”

GEORGE BURNS

generations did. Baby Boomers are still healthy in their 70s and beyond, and many want to stay involved in the workforce in some capacity. Many are now saying, “I may never completely retire.” They have witnessed what happened to their parents’ generation during retirement, and they are determined not to live the rest of their lives that way. The idea of just sitting on a rocking chair watching the world go by—or as the Australians say, “gumming themselves to death”—is not their goal for the next two decades.

## New Social Norms

Baby Boomers don’t want to be isolated from mainstream living. In his article, “Why More And More People May Never Retire,” Scott Hanson

puts it this way: “Many people who leave the workforce end up struggling to find purpose and meaning in their lives. By retiring, they leave much of their social life and self-worth behind, and then with each passing year,

their world becomes smaller and smaller.”<sup>2</sup>

The current crop of retirees wants to stay involved in the workforce. The only difference is they want it on their terms—no more grueling 60-80 hour workweeks that they tolerated during their careers. What they want is to continue to produce, to serve, and to provide value to the lives of others. Hanson quotes Nancy Collamer, a career coach and author, who states it well: “It’s not about finding a job. It’s about filling a need.”<sup>3</sup>

Some fill this need by taking a part-time job, perhaps with their current employer, or by starting what some have called an “encore” enterprise. This could be an Internet business, consulting in a hobby they enjoy, or volunteering. A while ago I read about a man who had been a teacher all his life, but had a desire to become an attorney. He went back to school and, in his 90s, he had his own law office where he had been practicing for over 20 years. This man’s dream might not be your idea of fulfillment in retirement, but with a little planning and vision you also can stay active and involved.

## Why Employers Love Baby Boomers

Statistics show that more than 60 percent of retired Baby Boomers are working part-time even though 60 percent of that group do not need the finances

or are continuing to be employed for other reasons than an income. Employers love part-time Baby Boomer workers because they value the dependability and responsibility of mature people and think of retirees as “more honest and dependable” than their younger associates.<sup>4</sup>

In his article “Are Older Workers More Reliable?” Rick Nauert describes a study originally reported in the journal *Psychological Science*. He writes that not only are older workers more reliable, but—while energy and some cognitive functions naturally decrease with time—older workers actually have less performance variability and more consistent cognitive performance. Simply, older workers are *more focused* employees.<sup>5</sup>

These findings are illustrated splendidly in the 2015 movie *The Intern*. In this comedy, Robert De Niro portrays a mature retiree who is able to guide a young CEO through her business and private lives, and he also mentors other young professionals who interact with him.

## Baby Boomers Are the Bosses

It is not the Baby Busters or the Millennials that are changing

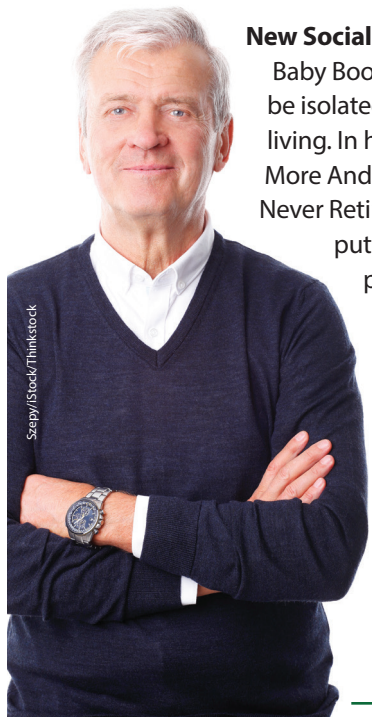


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**It is not the Baby Busters or the Millennials that are changing the entrepreneurial world; it is the Baby Boomers.**

the entrepreneurial world; it is the Baby Boomers. Boomers are twice as likely to launch a new business than the younger generations. There are good reasons why they are starting new businesses. First, they have the finances to do so. Secondly, they have had 40 or more years of experience in the real world and understand what it takes to be in business. Thirdly, they have the wisdom to choose the right direction for their new enterprises and the maturity to know how to meet the everyday challenges they face. That is why we should not be amazed that Baby Boomers are 35 percent more likely to develop a successful business—one that they will still be managing after a minimum of three years.<sup>6</sup>

**“OF THOSE AGED 50-64,  
75 PERCENT HAVE LESS THAN  
\$28,000 PUT AWAY FOR RETIREMENT.”**



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