

U.S. Boomers Seek Peace of Mind over Wealth Accumulation

Middle-aged investors facing multigenerational family responsibilities

By James Langton

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U.S. middle-aged investors are much more interested in getting peace of mind from their finances than they are in accumulating wealth, finds a new study from New York City-based Merrill Lynch.

The survey of 6,300 U.S. investors, age 45 and older, found that when it comes to financial goals, achieving peace of mind is seven times more important than accumulating wealth (88% and 12%, respectively). Merrill says its survey, completed along with Emeryville, Calif.-based research firm Age Wave, finds that today's retirees are defining happiness not in terms of dollars but in terms of new experiences, peace of mind, helping family and making a difference.

The study also finds that, while many people consider early retirement a sign of financial success, the number one reason that people retire early is actually due to declining health. The cost of healthcare tops the list of retirement worries, even more so among the affluent, it says (37% and 52%, respectively).

Serious health problems, being a burden, and outliving assets ranked among respondents' top concerns when asked about their views on living a long life, it says; adding that decisions about living arrangements are among the most important when it comes to retirement planning.

"Most people understand that retirement planning is not a once and done' proposition," said David Tyrie, head of personal wealth and retirement for Merrill Lynch. "Where guidance is needed most is helping people understand how all of these variables and decisions work together over time."

The firm reports that another key finding of its research is the potential financial impact of supporting family members across multiple generations, which is a growing and complicated challenge. It also notes that while pre-retirees think a reliable income is what they will miss most about leaving their career, retirees find that it is actually the social connections they miss most.

When asked what is most important to pass on to future generations, respondents indicated their top priorities are values and life lessons (74%), which are viewed as more than twice as important as financial and real estate assets (32%).

Moreover, the survey found that prospective retirees are largely not retiring. Instead, they are viewing it as an opportunity for career reinvention. "Boomers have always paved their own way, and are once again pioneering new territory," said Andy Sieg, head of global wealth and retirement solutions for Merrill Lynch. "They share a strong view that retirement is not an end but a beginning, an opportunity for reinvention. Their perspectives, concerns, goals and how they plan to achieve them are different. What they seek is clarity and confidence about what is possible in the context of their hopes and myriad uncertainties."

"Americans have mixed feelings about living longer and transitioning into retirement," said Ken Dychtwald, founder and CEO of Age Wave. "While they welcome the extra time to pursue new interests and spend more time with family and friends, they are concerned about outliving their assets and experiencing a serious health disruption. Even those who have saved adequately can be anxious and often overwhelmed by this complexity and the unknowns they face."

Source: http://www.investmentexecutive.com/-/u-s-boomers-look-for-peace-of-mind-over-wealth-accumulation?redirect=http%3A%2F%2Fwww.investmentexecutive.com%2Fhome%3Bjsessionid%3DYVFZKBC9rkYkXTFostKcZCl%3Fp_p_id%3D101_INSTANCE_rk5n61x2uHJB%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-1%26p_p_col_count%3D2