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Americans are expecting to retire later and work throughout it, according to a study sponsored by SunAmerica Financial Group in collaboration with Age Wave.

By Temma Ehrenfeld, *Financial Planning*

In a Harris Interactive telephone survey of more than a 1,000 Americans 55 and older in April, three out of five respondents have remained hopeful about the future, said SunAmerica Financial Group President and CEO Jay Wintrob.

“Americans have proven themselves to be both resilient and resourceful,” he said. “They are course-correcting: intending to work longer, save more, spend less, be more disciplined and adjust their lifestyle expectations.”

The study found a significant shift in attitudes and actions since 2001, the first Harris study sponsored by SunAmerica.

Today, 54% view retirement as a new chapter in life, rather than a winding down -- compared to 38% a decade ago. Pre-retirees say they now intend to delay retirement by five years -- from 64 to 69 -- because of increased longevity, as well as the recession and financial need. Almost two-thirds say they would ideally like to remain productive and include some work in retirement.

Financial peace of mind is now six-times more important than accumulating wealth: 82% name it their key financial goal. More than three-quarters (76%) agreed that the last few years provided a much-needed financial wake-up call and 84% now exercise more cautious investment strategies. Protecting assets is now five times more important than investing aggressively to make up for lost time. Almost two-thirds (65%) now want investments that are guaranteed not to lose value and 60% seek to protect their income from market loss.

Pre-retirees must balance their retirement plans with the possibility of having to support aging relatives, adult children, grandchildren and siblings. Nearly half of Americans 55 and older expect to provide this support and, in a new twist on childcare, 70% believe their adult children will need financial assistance and 62% expect to support grandchildren.

Dr. Ken Dychtwald, a gerontologist and founder and CEO of Age Wave, said, “Having been jolted by the last several years, Americans have adopted more realistic and pragmatic views of

the possibilities before them. They now see retirement as a time for new priorities, new opportunities and new strategies for today's challenges."

"Most Americans want increased flexibility in retirement with the opportunity to move back and forth between periods of work and leisure," he added.

Americans want to stay engaged as retirees. However, the study also reports that one third said their financial assets still have not recovered to pre-recession levels and almost half (46%) say their home is worth less.

Longevity is another key element of today's retirement mindset, with 67% of respondents saying they would like to live to 100.

Adding to the challenge, Americans may not have as many years to save for retirement as they expect. Nearly half of today's retirees retired earlier than planned, and of those who did, 41% did so because of unexpected health problems and 19% due to loss of employment.

Compared with earlier retirees, today's boomer generation faces a mixed outlook for retirement. Americans 55 and older say that boomers are more likely to have less in entitlements, less money for retirement and less respect from younger generations.

"This is a significant shift and a clear lesson resulting from the recession, with Americans now seeking the preservation of assets as a top investment goal," Wintrob said. "The appetite for risk has clearly diminished. As Americans approach and enter retirement over the next decade, their need for asset protection, risk management and lifetime income solutions will take on even greater significance."

Americans are clearly interested in more financial help and from many sources. Before, during and after the recession, only about 50% of Americans felt financially informed. Today, 80% want education and advice on saving and investing for retirement at their workplace and 92% feel that financial management should be a standard part of a high school education.

More adults 55 and older today have used professional financial advisors to assist with retirement planning than 10 years ago (49% versus 40%), and the vast majority (68%) who have used financial advisors believe they have been very helpful.

Those who sought professional advice are 72% more likely to feel very financially prepared for retirement and are also more likely to be financially informed and secure in retirement, according to the SunAmerica study. When people describe their ideal financial advisor, effective communication and listening skills are ranked even more important than achieving competitive returns.

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