

Boomers regain some optimism about retirement

By Darla Mercado | July 17, 2011

Retirees and those about to retire are slowly regaining their optimism.

A survey released by SunAmerica Financial Group Inc. and Age Wave last week heralded a post-crisis rebound — at least emotionally — among the over-55 crowd.

Prior to the recession, 62% of those polled felt secure about their financial situation. That figure fell to as low as 36% during the worst of the market tumult.

But sentiment seems to have improved since then: 44% of those polled now have a sense of security about their finances.

Perhaps some of that positivity is based on baby boomers' realistic expectation that they will be working through their retirement. Fully 65% of those polled said that they would ideally prefer to have some work during retirement.

That particularly resonated with younger participants between 55 and 64, 77% of whom agreed that they would like to work during retirement. By comparison, 56% of those over 65 said that they feel that way.

Boomers seem attuned to conversing with their families about finances.

Half those polled said that they will have more family discussion on their financial needs, and 49% said that they expect to provide additional financial assistance to their family. Seven of 10 said that they expect to provide financial aid to their adult children.

The issues confronting retirees and preretirees give financial advisers an opportunity to reframe conversations with clients, said Larry Roth, chief executive of Advisor Group, SunAmerica parent American International Group Inc.'s network of independent broker-dealers.

Advisor Group, which comprises FSC Securities Corp., Royal Alliance Associates Inc. and SagePoint Financial Inc., will kick off an initiative to encourage advisers to begin talking to clients from a lifestyle perspective rather than a financial perspective, he said.

“Instead of asking questions about when you want to retire and the amount of money in your account, we want to start with what's in the hearts and minds of the clients,” Mr. Roth said.

Not all advisers are expected to go along with the new approach, particularly if it isn't their style, he said.

“Some financial advisory practices are prescriptive,” Mr. Roth said. “It's going to force some advisers out of their comfort zone.”

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