

Saving For Retirement Can Start Now

Finally! It's time to retire. This is great news if your savings can live as long as you do. Unfortunately, even those who have saved for this time may discover their retirement funds will be gone far before they are.

The causes of this situation are many. The number of business bankruptcies is threatening the viability of private pension funds.

Many businesses are pushing the responsibility of saving and investing for retirement into the hands of employees. In addition, the vast majority of Americans today are exhibiting an alarming disregard for tomorrow by refusing to save and invest in an aggressive manner.

Americans still dream of traveling during retirement or moving to a warmer climate. In fact, 75% of

workers expect to live as well when they retire as they do now. However, only 25% have begun to seriously save for it.

Are people planning on inheriting a large amount of money from their parents? Americans over 50 have accumulated a net worth of \$6.8 trillion, but many of them will spend what they've saved and more on health care costs. The lucky

heirs who do inherit wealth might spend it far before they retire. This money may seem better suited to raise their own families in style.

The age of retirement may well expire before today's 35- and 40-year-olds are old enough to enjoy it. Baby-boomers will reach retirement with about half of what their parents had. Active consumerism, housing and education costs are eating up their funds. People seem to think that someone else is saving for their retirement. The fact is, if they don't take the responsibility, no one else will.

If the Social Security system survives in its present form through 2010 and the nation's \$3 trillion in private and public pension plans come through for future retirees, many people will still fall short by at least 25% of what they need to maintain their lifestyle.

One way to pamper yourself during retirement is to do with less during your early years. This is hard for many young Americans who don't want to feel bound in to saving for retirement.

There are two types of retirement funds typically provided to workers by large companies. The most com-

mon is the defined benefit plan which represents about \$1.4 trillion of pension assets and is offered by over 100,000 corporations. Workers may or may not contribute, depending on the details of the plan. They are guaranteed a monthly check or lump-sum payment based on their number of years on the job and their final earnings. This usually amounts to an annual income of nearly half the final salary for lifetime employees.

The other type of retirement fund is the defined contribution plan, an optional savings plan to which the employee and the employer may contribute to. The employee decides how to invest his portion of the money. The retirement benefit is not guaranteed but depends on how wisely the worker invested.

It's up to each individual to plan for their retirement. How do you expect to live during those years? The lifestyle you want to have will greatly affect how much money you should save before retirement. No matter what lifestyle you choose, it will probably require more money than most of us imagine.

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Books Offer Advice About New Business Opportunities

As the age of retirement approaches, older people have new choices to make. Some people find they're not ready to retire. Instead of continuing at their old job, many are looking to begin a new career or even a new business. This can be a very positive step for people over 50.

There are two new books on the market that offer a positive outlook on the idea of re-careering instead of retiring. *Blueprint for Success: The Complete Guide to Starting a Business After 50* (Newcastle Publishing Company, Inc., 1991) includes a variety of information on the subject. The author, Albert

Myers, has launched many successful businesses himself. This hands-on experience helps others find their way through the process, as he verbally leads the beginner through each step they might encounter.

Another choice is *Start Your Own Business After 50—60—or 70!* (Bristol Publishing Enterprises, Inc., 1991). This book, by Laurane Snelling, is a learn-as-you-read book relating the experiences of several older entrepreneurs as they start their own businesses.

Both of these books will provide enjoyable reading as well as the information necessary to get out of retirement and into a new career.

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