Planning Your Retirement

Four Retirement Readiness Fixes For Baby Boomers

(NAPSA)—The Stanford Center on Longevity's 2018 "Sightlines Report" found that baby boomers have accumulated less household wealth and carry more debt in comparison to previous generations of American retirees.

The report found that overall household asset balances—and retirement savings in particular—are lower for boomers than for the elderly Americans born before them. In addition, baby boomers are carrying more debt compared to older generations, with one in three holding a debt burden exceeding 50 percent of their total wealth.

With approximately 10,000 Americans turning 65 each day, the news that baby boomers are less ready to retire than those generations who have come before them is disconcerting by itself, but it is especially worrisome in light of rising retirement expenses they will face.

"Given that boomers will likely live longer and rack up higher lifetime medical costs than prior generations, the inevitable conclusion is that boomers will face some tough challenges during their retirement years," according to CBS MoneyWatch.

Financial planning experts offer a few possible retirement readiness fixes to help baby boomers address a shortfall in available cash:

• **Pay down debt**—For those boomers in the preretirement or early-retirement stage, do what you can to reduce your debt load. Every penny not going to debt is a penny going toward funding your retirement lifestyle.

• **Consider returning to the workforce**—If you are physically able, think about options for working a little later in your life or perhaps returning to the workforce in a part-time job. A few years of additional income can make a huge difference down the line.

• **Adjust your standard of living**—Be prepared to make some modifications to your lifestyle in order to reduce your monthly expense budget. You may be surprised how much minor purchases, such as a daily gourmet coffee, can add up to on an annual basis.

Your retirement may be more fun and easier to achieve once you consider all your assets.

• **Be smart about your available resources**—Can you afford to defer Social Security for a bit longer in order to maximize the cash benefit? Do you own a home that has equity you can put to work for you with a reverse mortgage? Are there other financial resources you can draw down, such as an old savings account or a life insurance policy you may have socked away?

"Many seniors are surprised to learn that one potential asset for generating immediate cash is a life insurance policy," said Darwin M. Bayston, CFA, president and chief executive officer of the Life Insurance Settlement Association (LISA), a nonprofit organization that educates seniors about alternatives to lapsing or surrendering a life insurance policy. "A life insurance policy is considered your personal property and—as such—you have the right to sell that policy anytime you like."

When a consumer sells a policy in a "life settlement" transaction, the policy owner receives a cash payment and the purchaser of the policy assumes all future premium payments—then receives the death benefit upon the death of the insured. Candidates for life settlements are typically aged 70 years or older, with a life insurance policy that has a death benefit of at least $100,000.

To learn more about life settlements and whether you could be eligible for a free review of your life insurance policy, visit www.LISA.org or call the LISA office at 888-902-6639.