Planning For Your Future

Facing The Challenge: Financial Planning For A New Generation Of Seniors

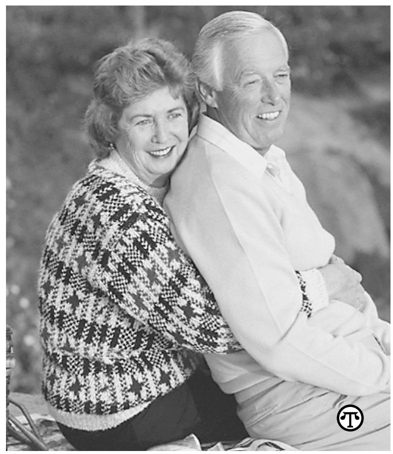
(NAPSA)—According to U.S. Census Bureau estimates, more than 56 million Americans are over age 55. Another 36 million, turning 55 in the next ten years, will be greeted by a new set of challenges and rewards as they make the transition to retirement.

Saving habits are one of the biggest differences between generations and, until recently, many seniors felt comfortable putting money earmarked for retirement in less stable vehicles like stocks, mutual funds or variable insurance products.

Because of the recent declines in the stock market, many Americans will be forced to lower their expectations for retirement income or even postpone their retirement according to the recently published report *Retirement Insecurity: The Income Shortfalls Awaiting the Soon-to-Retire* from the Economic Policy Institute.

In fact, the University of Michigan's Health and Retirement Study estimates the bear market has wiped away more than $678 billion in retiree wealth over the last two and a half years.

Nevertheless, there is good news for most Americans in their 50s and 60s. It is not too late to plan for retirement. The first step is to discuss the various options with a financial services professional that specializes in the senior market.



"Find a financial services professional that truly understands your specific life-stage needs," said Scott Perry, a senior vice president of Bankers Life and Casualty Company, the 123-year-old insurer that specializes in the senior market.

Professionals who specialize in retirement planning for seniors bring more targeted experience to the table. This experience and insight can prove invaluable as seniors consider their options.

Another important factor to consider when it comes to managing assets is emotions. Separating emotions from wise financial decision-making is essential to avoiding dangerous pitfalls, especially for seniors who have spent nearly a lifetime building a retirement portfolio.

"Determining the best course of action without the help of a financial professional can be precarious at best," said Perry. "For instance, we had a policyholder who wanted to put all of his money into a variable insurance product because it was generating a high rate of return. Fortunately, we were able to effectively explain the shortcomings of such a single-minded strategy and the policyholder was able to avoid losing a substantial amount of money despite the precipitous decline of the stock market."

Also look beyond savings needs. Many aging Americans neglect to purchase life and health insurance protection. In most cases, Americans expect Medicare to fully protect them as they make the transition away from the group coverage provided by their employers. Seniors who wait too long to purchase insurance coverage may be faced with pre-existing conditions and high premiums; if they are able to qualify at all.

"One of the most common mistakes we see seniors make is to short-change themselves when it comes to life and health insurance coverage," said Perry. "A serious illness can eat into even large savings accounts and investment portfolios in a very short period of time."

Regardless of your financial position, the most important thing to remember is that it is not too late to plan for the future. Before you do, however, be sure to seek the help of a qualified professional.