

Flexing Stock Market Suspends Retirement For Many Older Americans

(NAPSA)—Sixteen percent of workers admit they are not at all confident they will have enough money saved for retirement, up from just 10 percent last year, according to a poll conducted by the Employee Benefit Research Institute.

While retirement was once a cornerstone of the American Dream, it is now in question for many Americans as they scramble to dig their way out from under massive investment losses.

The three-year downturn of the economy, has resulted in investor losses of an estimated \$7 trillion since the stock market peaked in March 2000. The nation's unemployment rate rose from 4.7 percent in 2001 to 5.8 percent in 2002, swelling the jobless ranks by another 1.6 million people, according to the Associated Press.

Although the numbers are daunting, the true devastation lies in the personal stories of those who worked a lifetime only to see their savings lost in retirement.

"I was recently approached by a 70-year-old woman who had lost 60 percent of her money in less than two years," said Al Foschini, a financial services professional and branch sales manager with Bankers Life and Casualty Company, a life, health and annuity provider that specializes in senior Americans. "She had been advised



As people approach retirement age, they need to reconsider investment strategies.

to put 100 percent of her savings into aggressive mutual funds."

Foschini heads the Bankers Life and Casualty Company Hartford, Conn. branch, which means he hears these kind of stories from seniors every day. His solution is to utilize a risk tolerance survey to determine what types of investments will be best for an individual's specific retirement needs.

"The improper allocation of assets is the number one reason investors see these kind of losses," Foschini continued. "I can't say enough times, spread assets over multiple categories with acceptable levels of risk, especially if you are in or approaching retirement."

Foschini also encourages seniors to look into fixed-interest annuities as an investment.

"In most cases, fixed-interest annuities have better yields and higher interest rates," said Foschini. "More importantly, they can offer the security to let you sleep at night without worry about market fluctuations."

Another important thing to consider for retirement is life, health and long-term care insurance. Americans are living longer today than ever before, which also means they're spending more on medicine and medical procedures as they age.

According to the Health Insurance Association of America, 40 percent of Americans over age 65 may spend time in a nursing home, and 75 percent will likely need some type of home care. The average cost of care in a nursing home is more than \$52,000 annually.

Conversely, such insurance policies are regularly considered discretionary. The state of Connecticut last year reported the first declines in the sale of long-term care insurance policies since it began tracking sales.

According to Foschini, "Don't run away from insurance because of the cost of premiums. Insurance is always an important part of retirement planning."

For more information on retirement in a down economy, contact a licensed financial services professional in your area.