

# IMPACT



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## Planning for Retirement

### *The Situation*

A majority of Americans expect to enjoy a comfortable retirement. A 2006 Retirement confidence survey by the Employee Benefit Research Institute found that many have not saved and face having to work longer than expected to fund their retirement. Survey results indicate that more than two-thirds of current workers say they and their spouses have accumulated less than \$50,000 in retirement savings. Fifty-eight percent of current workers say they and their spouse do not expect to receive any health insurance from their employers when they retire. Two-thirds of current workers think they could live until age 90, spending 25 years in retirement and outlive their savings if they retire at age 65. Fifty-nine percent said they hope to have a retirement standard of living equal to or higher than in their working years; however, when asked if they had calculated how much money they will need to retire comfortably, fifty-nine percent said no.

Idahoans are challenged to save for a secure retirement. Many companies are reducing or eliminating pension plans. Changes in social security benefits and health care make retirement planning more important than ever before.

### *Our Response*

The University of Idaho Extension, an Edward Jones Investment Representative and a Social Security Public Affairs specialist teamed to offer "Secure Your Retirement." The three-session class series, targeting adults ages 25 and older, helped individuals plan for retirement and learn more about social security and investing to meet retirement saving goals.



*Beverly Healy, UI Extension Educator*

Retirement is as much a state of mind as a financial issue. The *Focus on Retirement* class helped participants answer questions such as:

How do I want to spend my time during retirement?

- Where do I want to live?
- Will I start a "new career?"
- Will I work part-time during retirement?
- How much do I need to save?

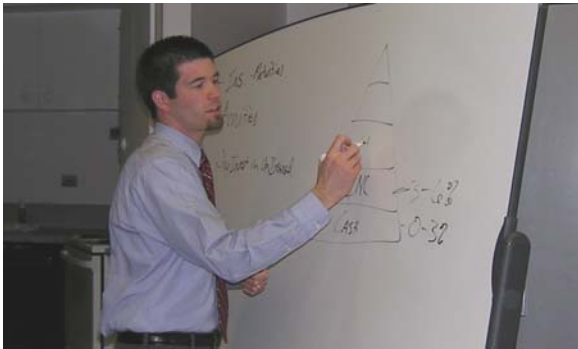
The American Saving Education Council's *Ballpark E\$timate of Retirement Needs* provided a quick and easy worksheet for estimating retirement income needed, how much savings is needed annually and monthly.



*Corliss Neuber, Social Security Public Affairs Specialist*

Social Security is an important building block of most people's retirement. The *Social Security and Retirement* class answered participant questions concerning the following:

- The status of the Social Security Trust Fund
- How benefits are figured
- Who qualifies for benefits
- Continuing to work while drawing benefits
- Reduced benefits at age 62
- Pension benefits for survivors



*Will Allen, Edward Jones Investment Representative*

The *Making Money Grow* class helped participants decide how to invest money for short and long term goals and move toward investment strategies to meet their personal goals. Investment topics covered included:

- Setting retirement goals
- Investment strategies to keep pace or out pace inflation
- Risk and diversification
- The "time value of money"
- The importance of starting early
- Dollar cost averaging

## ***Program Outcomes***

Thirty-three people attended the three-class series in Boise. Participants reported completion or planning to complete the following within two months.

- Determine the dollar value of assets currently available for retirement (79%)
- Evaluate whether current retirement savings will be sufficient (79%)
- Set well-defined investment goals (79%)
- Determine the role of Social Security in their retirement (74%)
- Estimate annual income needs during retirement (63%)

In addition, 95% gained new ideas to help them prepare for retirement.

## **The Future**

More workshops are planned to help Treasure Valley residents reach their retirement aspirations by increasing retirement savings, estimating the savings needed to reach retirement goals and making an estimate of how much they will need to live comfortably once they retire. The UI Family Resource Management Topic Team plans to roll-out a new Retirement Planning curriculum for Idaho in 2008.

## **Cooperators**

Edward Jones Investments  
Social Security Administration

## ***For More Information***

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