Retirement Ready? preparing Idahoans for a satisfying retirement

The Situation
Mid-life and older adults face numerous retirement planning challenges—financial, health, and developing and maintaining social networks and interests. Baby boomers are likely to spend 20 or more years during retirement. Many are unprepared. Workers are increasingly expected to fund their retirement. The declining solvency of Medicare and Social Security makes it likely that retiree benefits will be decreased. Only 23% of workers age 55 and older report savings or investment values of $250,000 or more. Half of workers age 45 and older have not calculated the amount of retirement savings needed.

Today, about 80% of older adults have at least one chronic health condition, and 50% have at least two. Physical health problems can increase depression and financial struggles. Poor health is not an inevitable consequence of aging; older adults can take preventive actions to maintain physical and mental well-being. Only about 1 in 10 pre-retirees plan for the myriad of issues they’ll face when they retire. Retirement planning education was listed as a priority of respondents to an Idaho Extension survey conducted in 2004.

Our Response
A University of Idaho Extension team developed Retirement Ready? a course that teaches how to prepare for a holistic retirement and develop a personal retirement plan.

Course participants:
1. Learn how to obtain a satisfying and financially secure retirement by reviewing their situation and setting retirement goals;
2. Consider non-financial issues that enhance retirement satisfaction, such as maintaining physical and mental health, engaging in community organizations and establishing a support system;
3. Understand financial issues that impact retirement: estimating retirement income needs, calculating net worth, Social Security/Medicare benefits, diversification of assets, investment risk, how investment fees affect returns, how to select an investment advisor, dollar cost averaging, how inflation/taxes affect investments, and income withdrawals.

During 2008-09, the UI team conducted three pilots of the course. Retirement Ready? content was taught in four 2-1/2 hour seminars: 1) It’s More Than Money: Add Life to Your Years & Engagement with Life; 2) Crunching the Numbers & Social Security Benefits; 3) Taking the Mystery Out of Investing & Selecting a Financial Advisor; and 4) Making Your Money Last: Investment Principles for Wealth Accumulation and Tapping into Retirement Resources. Each seminar
included lectures with PowerPoint slides, participant activities, fact sheets, work sheets and homework assignments. University of Idaho extension educators and specialists from the Idaho Department of Finance and the Social Security Administration developed and provided instruction. The Extension specialist secured pilot funding from AARP-Idaho and the Idaho Department of Finance. One hundred seventy-seven participants attended course pilots in Jerome, Idaho Falls and Boise. Forty-nine percent were male, 63% were ages 40-59.

Program Outcomes
Course participants completed end-of-class evaluations after each seminar. A three-month follow-up survey was mailed, yielding a 63% response rate. As a result of attending the Retirement Ready? course, respondents indicated they had completed or planned to complete the following actions:

- Use the Ballpark Estimate to calculate income needed in retirement-71%
- Determine how to spend time in retirement-70%
- Increase physical activity and/or improve eating habits-68%
- Consider ways to increase income during retirement- 68%
- Investigate new savings or investment options-67%
- Set retirement goals-60%
- Increase savings/investments for retirement-48%

Eighty-five percent of respondents indicated the course increased their ability to plan for a satisfying retirement and 95% would recommend it to others. Participants commented:

- “...The idea that I might live 20 to 30 years after retirement was a real thought provoker!”
- “The most helpful thing I learned is that investment and planning don’t stop after you retire. Especially if you retire early, you need to make your money work for you in retirement.”
- “We need more classes like this one. I gained a lot of new ideas on how to take better care of myself after I retire - physically, mentally, and financially.”
- “We are so glad we attended these classes and would recommend to anyone who asked. I wish we would have done it when we were younger.”

The Future
We learned that content relevance varied depending on participants’ age, existing knowledge and experience. One participant commented: “Develop a program for people under 45 years and one for older than 45.” The course development team learned that a program for individuals who are already retired would be useful. An educator taught an abbreviated two-seminar version of the course in several Eastern Idaho counties. The team refined the curriculum for publication during 2010.

Cooperators & Co-Sponsors
- AARP-Idaho
- Idaho Department of Finance
- Social Security Administration

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