



The Premier
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Baby Boomers: PREPping for a Secure Financial Future

Doing Anything to Improve Your Financial Security is Better than Doing Nothing

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Recent studies show the percentage of those very confident in having enough money to take care of basic expenses decreased from an already low 40 percent in 2007 to an even lower 34 percent in 2008 for workers, and from 48 percent to 34 percent for retirees.¹ The Partnership for Retirement Education and Planning (PREP), an unprecedented collaboration of non-profit associations representing more than 200,000 financial service professionals, was formed to help Boomers better plan for their financial future.

Dedicated to improving financial literacy for Boomers, members of the Million Dollar Round Table (MDRT), the National Association of Insurance and Financial Advisors (NAIFA) and the Society of Financial Service Professionals (FSP) have founded PREP and are working in a concerted effort to provide awareness and education that will help Boomers take action in preparing for their retirement. Other organizations, including the American Council of Life Insurers (ACLI), Association for Advanced Life Underwriting (AALU), Association of Health Insurance Advisors (AHIA), GAMA International, Insurance Marketplace Standards Association (IMSA), Life and Health Insurance Foundation for Education (LIFE), National Association of Independent Life Brokerage Agencies (NAILBA), and Women in Insurance and Financial Services (WIFS) also have joined together in support of PREP. PREP partners believe individuals must create and protect their own financial well-being, supported by certain rights of financial dignity.

The Changing Retirement Landscape

Baby Boomers can expect to live much longer in retirement than previous generations. They also face challenges no previous generation has encountered, including: uncertainty about government programs such as Social Security; termination of traditional pensions; decreased personal savings rates; and skyrocketing healthcare costs.

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¹Employee Benefits Research Institute (EBRI) 18th Annual Retirement Confidence Survey

In addition, concerns about present economic conditions may be limiting Americans' ability to think about or plan for their future situation in retirement. When asked what they think is the most pressing financial issue facing most Americans today, for example, just 5 percent of workers and 4 percent of retirees cited saving or planning for retirement. ¹

Instead, most mention shorter-term challenges such as the cost of living, paying for health insurance, making the mortgage payment, paying down debt and fuel/energy costs.

Despite these challenges, there are many real, practical solutions for helping Baby Boomers navigate a path of decisions regarding their Lifestyle, Life Income and Lifeboats (protections). Experience shows that the more people understand their financial situation the more self-sufficient they become.

Taking Action

The most important thing for Boomers to remember is that taking **any** action to improve their situation and prepare for retirement is better than doing nothing. Since it is never too early to begin preparing for retirement, younger generations also should learn from the challenges facing Boomers.

If you have 10 years or more until retirement:

- **Lifestyle:** Live within your financial means, and save for retirement at a rate consistent with your age.
- **Life Income:** Save for yourself and those you care about first, by accumulating financial assets and minimizing debt.
- **Lifeboats:** Protect against premature death, disability and early retirement while you can qualify.

If you have less than 10 years until retirement:

- **Lifestyle:** Maintain a lifestyle within your means while you consider and anticipate the lifestyle you want during retirement.
- **Life Income:** Analyze your available retirement benefits and finalize plans to ensure sustainable income during retirement years.
- **Lifeboats:** Preserve and protect the assets you have accumulated to insure yourself against devastating current and future financial risk.

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If you are already retired:

- **Lifestyle:** Enjoy and live within the lifestyle you have earned and decide how to pass along your dreams to future generations.
- **Life Income:** Ensure your withdrawal rate is sustainable so you and those you care about never run out of money.
- **Lifeboats:** Protect your assets and independence against the potential burden of unforeseen and uncontrollable expenses.

Securing Retirement Rights

All PREP partners have combined resources and endorsed the Financial Dignity Bill of Rights that suggest each individual has the opportunity and obligation to attend to their own financial well being, supported by certain rights including:

- The right to participate in employer sponsored plans, if offered.
- The right to receive government benefits, if eligible.
- The right to receive ethical and honest counsel from trained and capable financial professionals.
- The right to financial solutions involving appropriate plans, products and fair, ethical practices from providers of financial services.

For more information about retirement solutions for Baby Boomers, visit www.mintcofinancial.com

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