

## Tips for Boomers in Need of Financial Catch-up

by Kathryn Amenta

All those years ago when you were watching *Lost in Space*, did you imagine you'd be stressing about retirement? Yes, we who grew up on Barbie, the Beatles and bell bottoms are fast becoming our grandparents! Is it a passage we're ready for?

How did we get here? Baby boomers (those of us born 1946-1964) have been the most marketed to generation in American history. Following WWII, there was a huge industrial boom in gadgets, gizmos and glamour promising us the picture perfect American dream. You might say, consumerism was imbedded in our generation. As a result, the desire for material wealth became a core value. But to pay for this overspent lifestyle, we've had to work harder and longer hours than any other generation. Instead of saving for our future as our parents had learned to do, we've gone deeper into debt. Statistics say that 75% of boomers will continue to work after retirement to keep up.

As we continue to gray before ourselves in the mirror, many of us have secret regrets—and guilt—about how poorly we've planned for our retirement. Fear, loathing and avoidance are often our responses. But don't be discouraged, there are steps you can take NOW to play financial catch-up with your destiny.

First, financial clarity is the foundation for **all** financial planning. Clearly identify what financial resources you have, where they are, what their purposes are, and how much you need to live on a daily, weekly, month and annual basis.

Continually evaluate your needs vs. your wants. Every time you get the urge to lay down cash or your credit card, consider whether it's something you would like to have or is it something you truly need. Work to end the cycle of buying more stuff that you might not really need now—especially if it increases your debt. By the way, it's not a bad thing to have wants, but there are many ways to find satisfaction that don't involve huge sums of cash or debting. Investigate the alternatives and use your creativity—the solution can be quite liberating.

As you gain clarity around your current financial situation, here are a few practical ideas I invite you to consider.

Pay down your debt. The reality is, when you have no debt, you will have funds to invest into retirement. Try to pay more than the required minimum monthly payment. There are many practical strategies for paying down debt and dealing with creditors—so don't feel locked in.

Increase your payroll deduction for your retirement fund by 1% or more. Better yet, strive to save enough to earn the maximum available match from your employer. You'll experience the least impact if you do this when you get a raise or promotion.

If you have the good fortune to come into an inheritance, make the most of it. Do the research and evaluate options before making any decisions.

Get a handle on how much is enough to fund your intended retirement lifestyle. What kind of lifestyle will you want? How much will it cost? The conventional wisdom has been that we need 70 – 80 % of current income to fund retirement, and that we will be in lower tax brackets—but, I believe this is overly optimistic. Get clear about your retirement intentions, the cost and the impact of your current level of spending. Set goals and check in on them from time to time to stay on track.

Check and re-check your priorities. Just as our interests and activities shift over our lifetime, so should our spending habits. Things that were important to us in our 20s and 30s may not be so relevant today. This is a good thing. So, allow your spending habits to shift to who you are today.

Finally, be aware that diving into retirement planning can be confusing and difficult. Try not to become frozen in fear. Remember, financial management is usually not something we learned in school, so give yourself permission to ask for help if you need it. There are many resources to help you get started—such as a friend, trusted family member or a professional.

So, how do we match up to the rest of the boomers in the world? In the U.S., we work on average 9 weeks more a year than our peers in Europe. Increasingly, we feel overworked, overwhelmed and overscheduled. The question is, do we really enjoy what we're doing? What we're buying? How do we feel about our future? Now is the time to look at your financial situation and get clear about your priorities. Be assured your time is not up—there is still an opportunity to create the future you desire.

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