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LIVE LONG AND PROSPER

Nostalgia is something that is generational. There may always be that certain movie that you identified with during your earlier years. Maybe it was “Rebel Without a Cause” with the iconic James Dean who said, “Dream as if you’ll live forever. Live as if you’ll die today.” Maybe it was the George Lucas classic, “American Graffiti,” that spurred you on. Most of us can relate to films that revolved around the decisions that might have shaped your life today. It seemed so much simpler then. It was all about love and rock ‘n’ roll. We tend to get nostalgic thinking of the old days.

When you drift back in time to the “old days,” funny thing is that most of America was covered by an employer pension plan. Maybe it was easier then ... not really. Like today, it takes vision and, more important, hard work to get to a great retirement.

Things haven’t really changed ... or have they? I recently attended a conference where the agenda on the first day was about our aging society. The presenters had all sorts of wonderful stats that showed just how far we have come. In 1940, the life expectancy at birth was age 63.6, while those born in 2016 have a life expectancy of age 78.8. The life expectancy for someone age 65 in 1940 was 12.7 years, while in 2016 it was 19.4 years. The average retirement age in 1940 was 70, while in 2016 it was 63. So basically, we want it all. We are living longer and retiring earlier.

Those in their preretirement years feel that the biggest loss in retirement will be reliable income followed by social interactions and employer health insurance. Talk to those who are retired, and they say that health is the key to a happy retirement. Remember health is the first wealth. Retirees follow up good health with being financially secure, followed by a loving family and friends. As we grow older and wiser, we tend to know what really matters.

Some other fun facts courtesy of the presenters included:

- Living with parents has become the most common arrangement for young adults (non-students between 18 and 34) followed by marriage. Is that you and your children?
- The family bank is open 24/7 with annual average given or loaned being \$6,800 to an adult child. If you have a couple of children, that can add up fast.
- Each year, parents spend two times more on adult children than they contribute to their retirement plan. Stop before it is too late!
- One last thing on this topic was providing a legacy. Retirees said that passing along values and life lessons are the most important thing you can do. Funny thing is that leaving the children money and possessions ranked No. 4 on their list. Kids, sit down with your grandparents before it’s too late, as they have a wealth of knowledge that they would love to share ... just listen.

One of the scariest things presented at the conference was the number of us who might be diagnosed with Alzheimer’s disease/dementia in our lifetime. One of the more startling statistics shared was that 54 percent may get that disease, which is almost double the

percentage of those being diagnosed with cancer. The presenter at the conference likened the brain to a bell curve. You remember the bell curve and how in the old days the professors used to mark on it. As we age, we start slowing down. Think about the right side of the bell curve. They said that you can flatten out that line as we age (stopping the decline down the curve) by doing four basic things. There is nothing new here, but it warrants repeating so you may be able to enjoy a better retirement.

- Eat well. The presenter suggested the Mediterranean diet, which is nothing more than eating fruits, vegetables, fish, and whole grains. Using healthy oils versus butter.
- Exercise. Again, nothing new here. Doing cardio four times per week (walking, biking, using the elliptical, etc.) and lifting weights (toning, not bulking up) twice per week.
- Sleep well. Getting a good night's sleep is fundamental for your brain's vitality.
- Continue to learn. This engages the brain and may help you stay sharp until the day you die.

Basically, we have all heard these life lessons at one time or another. We hear people speaking, but do we truly listen? One of the greatest gifts you can give someone is your total attention when they speak. We always ask our older clients (those in their 80s and 90s) what their secret is to aging well. Almost every man and woman mention those four things. I have to admit that many of them mention that they have a drink or two, as well.

Now that we have skimmed the basics of hopefully living longer (did you listen?), we now need to focus on a bigger problem: making sure that you have enough money to live the retirement you have always dreamed about. Eighty-one percent of Americans say they don't know how much money they'll need to fund their retirement. Amazingly, one-third of Baby boomers don't have \$1,000 they can lay their hands on for day-to-day emergencies.

Baby boomers were born from 1946 to 1964. The oldest boomers retired at age 65 in 2011. The youngest boomers will retire at age 65 in 10 years. The retirement age of 65 is an arbitrary age. It was Otto Von Bismarck who created the first pension plan in Europe in the 1880s and selected 65 as the marker of old age. Just because you are age 65 doesn't mean you have to retire. Actually, you are better off working as long as you like or love your job. One of the biggest regrets we hear from retirees is that they retired too early.

Last year I mentioned a woman who was downsized at age 61. She was devastated. We prepared a financial plan for this woman and advised her to find another job. She hadn't saved enough money, so she would not have income for her expected lifetime. She looked us in the eye and said, "I'm tired, so I'm retiring now." We mentioned that the model we projected showed she would run out of money by age 71. She quickly pointed out that she would still have her Social Security income each month. Let's be clear, you cannot live on Social Security, but maybe you can barely exist. Existing is not retirement. So just because you are tired is NOT a reason to retire. See above! Start eating better, exercising, getting more sleep, and learning something new.

Fred Dunbar, CLU, ChFC, RFC, AIF®, is President of Planning Directions, Inc., a registered investment adviser, and Common Cents Planning, Inc. He also offers securities and advisory services through Commonwealth Financial Network, member FINRA/SIPC, a Registered Investment Adviser. Advisory services offered through Planning Directions, and fixed insurance products and services offered by Common Cents Planning, are separate and unrelated to Commonwealth. Fred may be contacted at 800-647-0762, by e-mail at fdunbar@commoncentsplanning.com or by mail at 239 Baltimore Pike, Glen Mills, PA, 19342. He's always happy to meet with you 'down the shore' at 6606 Central Avenue N. Sea Isle City, NJ. 08243.

Sources include Ken Dychtwald, Ph.D., Founder Age Wave, Social Security