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## To help ensure a comfortable retirement - plan early

### Fully 29% of investors waited until 45-49 to begin planning

By Aaron Siegel  
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The earlier investors begin to plan, the better the chance that they will have saved enough money for retirement. But, judging by their actions, clients are in no rush to create a plan

For instance, only 13% of pre-retirees said they had created their first financial plan between the ages of 35 and 39, according to "The State of a Retiring Nation: A Consumer Survey on Wealth Management's No. 1 Challenge," a study from the Aite Group LLC of Boston.

Some 29% of respondents created their plans between the ages of 45 and 49, while 22% developed their first plan between the ages of 40 and 44.

But starting late to blueprint a retirement program is better than having no plan at all. In fact, even clients who waited until 15 years before retirement to develop a plan can materially improve their lifestyles, said Alois Pirker, a senior analyst with Aite.

Among those who were confident that they have saved enough for their retirement, 87% had created a formal plan to estimate their financial needs for retirement.

### RETIREMENT SHORTFALL

Of the 45% of clients who believed they will have a shortfall in retirement savings, most (64%) have not estimated their future expenditures, and they were therefore making a subjective judgment, according to the study.

"Those numbers point out that people are retiring not knowing that they aren't going to meet their expenses," said Jennifer -Murray, principal at Stonebridge Financial Advisors LLC, a Morristown, N.J., firm with \$10 million under management.

"No matter how much you show a retiree that they will be able to have enough [money] through their life expectancy, they are still uneasy even though the numbers are convincing," she said.

However, while nearly three-quarters of pre-retirees said they planned to continue to work once they retire, the study found that only 45% of retirees were working.

### UNCERTAINTY REIGNS

"A lot of people feel uncertain about retirement. People don't find the right thing that they want to do, or the hours that they want to work," Mr. Pirker said. "Some end up expecting to work longer than they need and are unsure much they need to transfer to their retirement fund."

Americans who were approaching retirement, or have just finished working, were nervous that their retirement savings will not cover their expenses, according to the survey.

"That number doesn't surprise me given that individuals going into and facing retirement are doing so without pensions and not putting enough money away," said Mike Maye, president of MJM Financial Advisors LLC in Berkeley Heights, N.J. "I wouldn't be surprised if that number continues to grow as fewer people have pensions and everyone has to fend for themselves."

Of those surveyed, only 49% of retirees and 42% of pre-retirees, defined as people who were five years from retirement, said they were confident that their retirement savings would be enough to take them through their retirement years.

"The findings are kind of shocking because this group is five years away from retirement or near-retirement," Mr. Pirker said. "It is interesting that a lot of people believe that they don't have enough for retirement. The mood is very bad right now."

The slowing housing market, the lagging stock market and a slew of bad economic news were not helping matters.

"Each of the factors combined is not good news if you are three or four years away from retirement," Mr. Pirker said.

The study surveyed 505 U.S. residents in October, 251 who were pre-retirees and 254 who were retired.

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