

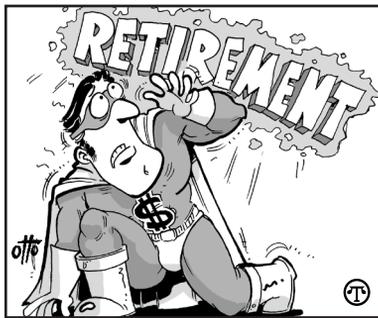
Overconfident “Superheroes” May Face Retirement Kryptonite

(NAPSA)—Can overconfidence be a superhero’s downfall? As baby boomers approach retirement, planning for their golden years is a top priority. Fortunately, many boomers feel well prepared to face the challenges of retirement. In fact, according to the third annual Lincoln Long Life Survey conducted by the Lincoln Retirement Institute, the majority of affluent baby boomers, an impressive 60 percent, elevate themselves to “superhero status” when it comes to their retirement-planning abilities. When asked to equate their retirement-planning status to recent blockbuster movies, 33 percent of affluent boomers said “Superman Returns” best describes their retirement skills, indicating they are in great shape for retirement. Additionally, 27 percent of affluent boomers said they relate most to “X-Men: The Last Stand,” relying on a team of experts to help them plan for retirement.

Despite the group’s optimism, there is some disparity between how affluent baby boomers feel about their retirement readiness and the realities they may face.

To help boomers on the path to retirement success, the Lincoln Retirement Institute has identified the following top five retirement stumbling blocks for pre-retirees to avoid:

• **Miscalculating retirement spending:** Many pre-retirees don’t understand what their true cash flow needs will be in retirement. In fact, results from the Lincoln Long Life Survey show that 65 percent of survey respondents underestimate



Some people may not be the retirement-planning superheroes they think they are.

their projected spending levels in retirement, incorrectly predicting that they will spend less money per year than while working. However, many financial experts now recommend that you plan on using 100 percent or more of your original monthly income in retirement.

• **Being too “sandwiched”:** Though the boomer generation is known for caregiving, you may be too generous for your own good when it comes to retirement. One out of four boomers surveyed epitomize the term “sandwich generation” by providing financial support to both a child and a parent. You don’t want to put the needs of family members above your own and prevent money from going into your retirement savings plans.

• **Medical miseducation:** Many of you may not know the true cost of medical procedures because your medical costs have always been covered by employer health plans and benefits. Moreover, you may assume that certain long-term care costs, such as nurs-

ing home stays, are covered by Medicare or health insurance policies—not true. To top it off, 66 percent of survey respondents report not having long-term care insurance, signaling the importance of becoming better educated about your medical policies and insurance coverage needs.

• **Underestimating longevity and retirement length:** Fifty years ago, most retirees expected to live three years in retirement, but thanks to advances in medicine, your retirement can now span 20 or more years. In fact, more than half of boomer respondents plan to retire before age 65, leaving them the potential to live many productive years in retirement—and needing a larger nest egg to support them for the long haul.

• **Forgoing a financial planner:** Between knowing how much you’ll need to save for retirement, predicting the effects of inflation and determining your monthly income requirements, professional help is more than a necessity. The Lincoln Long Life Survey found that, surprisingly, more than half (57 percent) of affluent baby boomers believe they don’t have enough savings to live “very comfortably” in retirement and 17 percent speculate that their current resources will only allow them to meet basic living expenses or fall short of their basic needs. Employing a financial planner instills confidence and ensures retirement income security.

For more information on retirement planning, visit www.lfg.com/retire.