

Planning For Your Future

The Seven Key Challenges Of Retirement

by Gregory Salsbury, Ph.D.

(NAPSA)—There's good news for baby boomers planning for retirement—even if they are getting a late start.

Whether retirement is five years away or 20, boomers can start preparing now by working with an experienced financial professional to address the seven key challenges of retirement.



Dr. Salsbury

1. Aging of America. Americans, as a whole, are getting older. They are also living longer and retiring sooner. The risk of outliving one's retirement savings has never been greater.

2. Disappearing Pensions. More than 1,000 employers discontinue their pension plans each year, putting the responsibility for saving for retirement into the hands of the individual.

3. Social Insecurity. More than two-thirds of retirees rely on Social Security for half their income, but the program is in danger of going bankrupt.

4. The Tax Axe. Taxes are the single greatest monthly expense for most American families, accounting for 30 percent of their income. Many indicators show this percentage will continue to increase.

5. Inflation: The Invisible Enemy. Since 1965, annual inflation has averaged 4.6 percent. If an individual must earn \$50,000 a year in today's dollars, he or she will need more than twice that in 25 years to maintain the same standard of living.



Working with an experienced financial professional can help boomers face the seven key challenges of retirement.

6. The Health Care Nightmare. Even with Medicare, the average American may need almost \$300,000 in inflation-adjusted dollars to cover health care costs in retirement. Research indicates that health care expenses are the No. 1 concern of Americans aged 45 and older, ahead of the war, the economy or education.

7. Red, White & Broke. Most Americans are undersaved and underprepared for retirement. Half of American households have less than \$24,000 in total financial assets.

Dr. Gregory Salsbury is executive vice president of Jackson National Life Distributors LLC and the author of "But What If I Live? The American Retirement Crisis: A Retirement Guide for Baby Boomers," which is available at www.butwhatifilive.com.