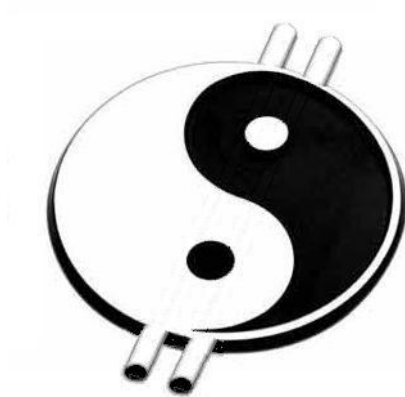


*The*  
*Integrative Adviser*



*The Journal of the*  
*Association for Integrative Financial and Life Planning*

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*Volume 3, Number 1*

*March 2010*

# *The Integrative Adviser*

## *The Association for Integrative Financial and Life Planning*

*Volume 3, Number 1*

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The Association's primary purpose is to help bridge the gap between financial and life planning specialists, by supporting the development of methods and tools to further integrate them, and by supporting the establishment of viable ways for individual practitioners to work together. *The Integrative Adviser* advances this goal by providing education and publicity concerning holistic planning and advice concepts to our primary constituencies: the financial industry (financial companies and advisers), the life planning movement (individual practitioners and organizations that support them), other supporting organizations (such as employers and voluntary associations), and the broader community (including journalists, academics, and the general public).

We encourage people with diverse interests and views to contribute articles to *The Integrative Adviser*. If you have an idea or a manuscript to submit, contact the General Editor.

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The office of the Association for Integrative Financial and Life Planning, and of *The Integrative Adviser*, is located at 69 Lancaster County Rd., Harvard, Massachusetts 01451.

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## *Thriving Amidst Uncertainty*

by Elizabeth Jetton

This past December I had the pleasure of leading a conversation and presentation "Living Fully in the Face of Uncertainty: the future of MONEY in the Third Age" to the Life Planning Network at their conference on Planning for the Second Half of Life.

I believe the fact that the session seemed to strike a deep cord with the attendees speaks to the synergy between financial life planners (integral planners) and life planners. It also speaks to the truth that each of us faces our own money issues, emotions, histories and stories as well as our own dreams, hopes, goals, and vision for what it means to thrive. Each of us has been impacted by the financial trauma of the last two years. It has been a great teacher. It has invited those of us who love to live in questions that matter, to ponder our own relationship with money, to lift the veil and to let the light in on a topic that stirs blame, shame, anger, hope and possibilities: money!

We had the luxury of ninety minutes, which gave me time to do more than "talk to" but to invite the audience to "talk with" each other. It is my belief that if we are to counsel others on their money journey, both in terms of financial guidance and guidance on meaning and behavior, then we have to do our own work in the area. We don't have to have the most money or to have all of our money issues resolved. We do have to hold the mirror

up to ourselves and to have the courage to be in conversation with our peers, as we were on this day in December. It is as if some fresh air was blowing into the room as people began to breathe into what is true for them and into what the questions are that are stirring in this planetary era of *uncertainty*.

### **The Inside and Outside of Money**

One of the strengths of the Life Planning community is its integral perspective. The pioneers in the Financial Planning profession have been exploring what an integral model of money looks like and we played with that in the session as a way to consider the financial meltdown as well as the variety of forces that we face as individuals, as communities, as a nation and as a world.

As you review the model below, consider the "I" and "Its" as "My beliefs, stories, history, values, etc" and "My stuff: my assets, debts, income, taxes, expenses, goals, etc." This is the typical realm of financial planning: the Exterior aspects of the individual's money life. The new breed of financial planners, known often as practicing financial life planning, focus on both the Exterior (what is mine) *and* the Interior (who I am and what I am about) as well as the context: the "*We*". Very often we realize that the issues that impact financial outcomes

have more to do with those interior aspects. As a colleague says, “you can’t solve an interior money issue with exterior money solutions.”

By the same token, our communities and society at large have both the exterior aspects and the interior aspects. When we view the recent meltdown in this way we begin to see that the visible quantifiable failings that led to the traumatic domino effect in our economy, had their basis in the invisible interior aspects of our culture. And we all played a part.

- Job security
- Financial systems
- National and global security from political and terrorist threat
- Inflation: cost of health care, education, housing, energy, water, etc.
- Terra threats such as extreme weather, natural disaster, climate change, etc.
- Family uncertainty: divorce, health, children, etc.

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## Integral Model of Money

Interior

Exterior

|  |  |
|--|--|
| <p><u>I</u></p> <p>Beliefs, values, experiences<br/>Subjective reality</p> | <p><u>It</u></p> <p>Numbers, Material reality<br/>Objective reality, Actions</p>                         |
| <p><u>We</u></p> <p>Cultural norms and beliefs<br/>Family influence</p>    | <p><u>Its</u></p> <p>Social systems<br/>Financial systems<br/>Rules and regulation<br/>Functionality</p> |

What stands out for many is that the future appears to be filled with a level of uncertainty that challenges our ability to plan, to prepare and to even feel optimistic or confident. This was the primary focus of our conversation: what does that mean to us? We can easily list the realms of uncertainty that we face, some personal and some societal:

- Aging and longevity

### **What does this mean to our ability to thrive? What is security?**

The exciting thing about the association of financial planners and life planners is our willingness to play in the land of paradox and uncertainty; to focus on the right questions rather than assuming we have the answers. The Life Planning Network’s pre-conference and the Positive Aging Conference are both fine examples of 21st Century gatherings, conversa-

tions and leadership. In my session we considered what we believe about a healthy 21st century economy and financial environment:

1. The economy is seen as a subset of the Ecosystem
2. It serves people and the planet, not consumes them.
3. It encourages an active fostering of diversity, resilience and sustainability.
4. The focus is on well-being and richness of life vs. solely on money wealth and financial riches.
5. It needs the elder's wisdom and courage!

As my dear friend, Dick Wagner, suggests: ". . . as financial planners we are called upon to help people deal with the most powerful secular force on the planet – MONEY."

My goal in this session was to get us thinking about *all* of the resources, including but not limited to money, that we must call upon and develop in order to thrive going forward. As we shared our personal stories of a time when we each overcame a challenge or difficulty, financial or otherwise, a number of resources unfolded. Taken together these forms of capital, these Life Resources, give us a map for our journey as human beings and for our work with clients.

### **Life Resources / 21st Century Forms of Capital**

- **Financial Capital** – assets, net worth, absence of debt, income, income stability, gifts, valuables, cash, appreciable property, a business, investments, volatility control, management of risks,

taxes, etc.

- **Human Capital** – knowledge, career, future career potential, experience, skills, talents, competencies, know-how, education, network, access, credentials, income potential.
- **Social Capital** – friends, intimacy, community, connectedness, family connections, affiliations, social intelligence, service orientation.
- **Emotional Capital** – Resilience, interests, optimism, integrity, creativity, adaptability, responsible, awareness and consciousness, resourceful, vigor, curiosity, capacity for intimacy, communication skills, flow, presence.
- **Physical Capital** – health, behaviors, genetics, age, environment, energy, vigor.
- **Geographic Capital** – local community, home, ecological wellness, access to services and support, policies and resources, safety, climate and climate stability, beauty, cultural access, financial health of the community and nation; opportunity, etc.
- **Spiritual Capital** – faith, hope, purpose, meaning, sense of legacy, generosity, service, passion, devotion, empathy, wisdom, values, principles, acceptance, non-attachment

As we consider our own futures and the futures of those we serve, we can imagine that the potential to craft lives of meaning and of capacity for richness and well-being will depend on our capacity to combine these forms of capital, to measure both the quantitative and the qualitative resources, to honor the unique strengths and the

unique challenges each individual and each community holds.

In speaking recently with a client of mine who happens to also be a financial life planner, he shared an exercise that he undertook early this year in which he reflected on the highpoints of the last ten years, this first decade of the 21st century. His highpoints included the good and the bad, the personal and the cultural. To his amazement most of what he listed came as a surprise. In other words, he would not have expected any of it had we been talking on January 1, 2000 and I had posed the question, what do you want to have happen over the next ten years, and what do you think you need to prepare for or try to avoid, in terms of possible negative occurrences? In both the positive and the negative highpoints, his life came as a surprise! This for a man who is all about planning, setting intentions, setting goals and preparing for the future.

What a wonderful exercise! It underscores how we are both at the mercy of uncertainty and have the grace of uncertainty; that we call upon so many resources and forms of capital in our lives and that our capacity to "make life" out of what shows up is truly awe-inspiring. I highly recommend this exercise to each of you.

As we closed our conversation in December, we considered the sense of groundlessness and insecurity we feel as we enter the next decade.

"When the forms of an old culture are dying, the new culture is created by a few people who are not afraid to be insecure."

Jacob Needleman

Truly, we must be present, be willing

to be insecure, build our self-awareness and be in conversation and pose questions together. For as Thomas Merton said, "We are consoled and strengthened by being together."

Much of the new economy is emerging from the circle gatherings and world cafés, the open space gatherings and online communities where conversations take place. As a new association we are charged with finding our place and our purpose through dialogue. In our gathering last December we discussed some aspects of our role as professionals and individuals:

- "Add value but leave no clutter." (Charles Handy)
- Prepare, plan, and embrace uncertainty.
- Begin multi-generational conversations.
- Speak up and out.
- Talk about money: the inside and the outside.
- Begin a circle of trust. Gather.
- Take responsibility.
- Practice the art of being present and expanding consciousness.

The good news is that a spark has been lit. A group of professionals is engaged in conversation, asking questions and believing in the value of collaboration. We are considering a much grander context for our work and a much richer and deeper inquiry with our clients.

What is the question that matters to you as we go forth into the new unknown with the never-ending dream to thrive? To live lives of meaning? Even in the face of inevitable change, destruction, evolution and surprise?

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## *What Do People Want Their Money to Do?*

by Mitch Anthony

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"The amassing of wealth is one of the worst species of idolatry – no idol is more debasing than the worship of money. To continue much longer overwhelmed by business cares and with most of my thoughts wholly upon the way to make more money in the shortest time, must degrade me beyond the hope of permanent recovery."

–Andrew Carnegie

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As one Mayflower was carrying Pilgrim Fathers to liberty in America, another ship was simultaneously sent to transport a load of slaves to these seekers of liberty. They dedicated their lives to finding freedom and used their resources to perpetuate bondage. It was this conflict of interest that eventually brought this new nation to a state of implosion. These two mayflowers are a fitting metaphor for the ships that sail in many clients lives as they pursue wealth and liberty but simultaneously entangle themselves in the process.

As the most prosperous people on earth we need to pause and ask ourselves if we are earning appropriate dividends of life satisfaction on that wealth. Or have the mantras of Madison Avenue convinced us that we will never have enough to make us truly happy, that true wealth is always the next rung on the ladder?

Our money has the power to liberate us or create further bondage. It has the power to help us find significance or to drive us further into despair, depending on how we appropriate it. Money can be utilized in a way that introduces a sense of balance into our lives or be invested in enterprises that do nothing but perpetuate and even

accelerate the manic pace. Money can be used to create borders of security for our present and future or can be used in ways that up the ante on our daily anxiety level. Our attitude toward our money can be the difference between a state of contentment and a state of depression.

For the first time in the history of the Nobel Prize the prize for economics was given to a psychologist, Richard Kahneman, whose work in Behavioral Finance has uncovered the first of many layers of emotional and psychological conflict in our relationship with money. As a culture we continue to make the same monetary mistakes over and over and the return we get is increased anxiety and dissatisfaction.

The study that revealed that the more money Americans make the less sleep they get provokes us to ask, "Is this because wealth and opportunity has placed their minds in a state of heightened alertness or because it has opened the floodgates of anxiety?" Many of you have seen, in your first-hand experience, that it is more of the latter. The great disconnect we have witnessed in our culture is between the pursuit of wealth and the distribution of that wealth in ways that increase one's sense of satisfaction. In

other words, as we are getting money we are not necessarily getting our money's worth.

Consider the degrees of frustration that many are purchasing or experiencing with their money:

- A couple, already under considerable financial stress, goes out and doubles the size of their mortgage when receiving a slight pay raise. One of them works for a firm that has been hit hard by the economic downturn.
- A woman frets over her mortgage for years. Her accountant tells her she needs the mortgage for a tax deduction every time she brings up the topic. She follows his advice even though it leads to sleepless nights. She is 81 years old.
- A man who is making great money and whose career is flourishing can't bring himself to enjoy any of his money because he's controlled by a mortal fear of being poor.
- A couple are working extremely long hours and their relationship is strained because of it. Neither of them like the jobs that keep them from one another.
- A woman feels her skills and gifts are being wasted by not utilizing them in her career. She has so many bills, however, that she doesn't feel she can afford to change career paths.
- A man receiving a large bonus places it all in a risky stock bet in biotech. He watches it disappear within a year because he can't force himself to sell it and acknowledge his mistake.
- A woman uses money from a di-

vorce settlement to purchase an expensive foreign vehicle and a high priced European vacation – and comes home to face rising levels of financial anxiety because of her decisions.

- A couple in their 60's move all their money out of safe havens when the market is booming because they don't want to miss out on high returns, and then reverse course as the market hits bottom out of fear of losing everything.

#### *What's the money for?*

I believe that all of us could be reaping much greater dividends from the money we have than we are currently experiencing, that a weighing of the emotional consequences of financial decisions would cause us all to take more prudent paths with how we earn, how we invest, and how we utilize our money. By weighting our financial decisions with emotional as well as material rationale, we increase the possibility of getting our money's worth in terms of satisfaction, security, balance, and happiness, the four great intangible cornerstones of life.

Consumers know, but do not align themselves with the knowledge, that their money should not be used in a way that works against satisfaction, security, balance, and happiness. Yet it is. Millions utilize their money in ways that lead to greater lack and increased anxiety rather than toward prosperity and peace of mind.

#### **Settle the big picture**

If we all took a closer look at the manner in which we appropriate the money we receive, we could find adjustments (some small, some significant) that would immediately produce

a dividend of less anxiety, greater security, and increased satisfaction. For this to happen, money must be placed in its proper context. Answering the following question is a first step:

***Is money a means or an end for you?***

When clients answer that it is an end, that they just want a big pile of money at the end of the race, then this relationship might not be the most enjoyable for them. If their money is a means to something more important in their life, if it is a tool for moving them toward greater security, happiness, and balance, then this question will help to guide both an internal dialogue and some decision-making processes designed to set them free from financial anxiety, and possibly help to increase the intangible benefits from the paychecks they are collecting.

**Settle the Heart: Four cornerstones**

If you ask people what they want from their money and their life, the answers you hear repeatedly are happiness, balance, security, and meaning. How well and how wisely we manage our money has an impact on all four of these cornerstones of life. In fact, it is quite easy, by making poor financial decisions, to compromise our happiness, security, balance in life, and even our sense of meaning if we are enslaved to money-producing activities that keep us from doing the things that make us feel a sense of purpose. Following are descriptions of these four cornerstones and their relationship to your money:

**1. HAPPINESS is wanting what you already have**

“Money won’t make you happy, but

neither will poverty.”

–anon.

Madison Avenue is keenly interested in helping us develop our peripheral vision regarding the homes and possessions of our neighbors. Advertisers are interested in feeding discontentment. Create a void and fill that void with a product, is how the thinking goes. “This will make you happy”, is how the ad copy reads.

But people eventually learn, or at least we hope they learn, that this brand of consumerism will only increase their hunger and discontentment.

Author and theologian G.K. Chesterton said there are only two ways to get enough. One is to continually strive for more and more and the other is to be content with less than you already have.

Warren Buffet said the only two things that really make you happy are good health and people that love you, and you can’t buy either one of those. That being said, it still stands to reason that many people have bought themselves unhappiness with money decisions they have made, and if that is possible, it is possible to raise our level of happiness by making some wiser decisions with our money.

**2. BALANCE is walking the tight-rope between too much and not enough**

When we can manage to get Work, Family and Leisure, and Personal Development in balance we truly start enjoying life. Balance in life is an investment issue, namely how well we invest our time. Achieving balance is a perpetual balancing act, not a “one and done” decision.

Many in our society feel they are in-

vesting far too much time in work and far too little in family or leisure or personal development. Often this is the case because of the way they have managed their resources. They are forced to work long hours and extra jobs to pay for stuff. Relationships suffer. Life satisfaction suffers. Destinies suffer. Their time schedule has become enslaved to their debt schedule.

Money can be utilized in a way that restores balance to lives. Those who have done so have learned to re-adjust and use their resources in such a way that it restores a sense of balance and personal fulfillment to their lives. Their life is no longer about making money. Their money is about making a life.

### **3. SECURITY is about doing what you want with your tomorrow**

Security may be the greatest intangible benefit properly managed money can deliver to our lives. If I do things right and invest the right amount of resources in both the present and future, I can go to sleep at night with the assurance that tomorrow "belongs to me." My time is mine to invest any way I choose.

Once we forfeit or lose that security we live with fear. The fear of losing our job. Fear of never being able to pursue our dreams. Fear of not having enough in retirement years.

Financial and relational security are also connected. According to an article entitled, "Valentine's Day Flash from Economists: If You Want to Be Happy, Don't Get Rich, Get Married",\* David Blanchflower and Andrew Oswald, two

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\* David Futrelle, *Money*, February 15, 2005

University Of Zurich economists, report that getting hitched provides "basic insurance against adverse life events and allows gains from economies of scale and specialization within the family." They estimated that a happy marriage is worth \$100,000 a year.

It would seem that there is a much more integral relationship between our relationships and our money than we may have suspected after all.

Each time we make a financial decision we are adding to or subtracting from a sense of security. Every person is different in regards to how much they need and where they need to put those resources to feel secure. It is important to listen to these feelings when offering financial advice. From the consumers point of view we must ask, "what is the point of following the advice of some professional if it causes you to not be able to sleep at night?"

### **4. SIGNIFICANCE is making the best possible use of our time, abilities and passions**

Victor Frankl, the famed psychiatrist/philosopher and author of *Man's Search for Meaning*, stated that man's primary motivation was the need to find significance and meaning in their lives. People are motivated by a need to make a difference somehow in others' lives – to feel they are making a contribution that is significant.

Because of financial strain, many people have "unplugged" themselves from the activities and pursuits that fulfill this sense of purpose and significance. In quiet moments of desperation they ask themselves, "what is the meaning of all this?" Many are caught up in "activity traps" where there is much

sound and fury but little emotional payoff.

Many people, however, by starting with the way they manage their finances, have been able to move their lives toward a place where their hands, head and heart are working together in work and activities that fulfill this inescapable need for meaning and significance, and sometimes in a fashion that is unpredictable and unconventional.

Hal, a financial advisor, told me how he had spent twenty years as a social worker and counselor and had burned out. Through his years of experience, however, he had noted that many of people's problems were rooted in and stemmed from money management issues. Hal became a financial advisor and told me:

"It sounds strange to some but I have a much greater feeling of meaning and significance in what I'm doing now, because I feel like if I can help people do the right things financially, I can help to save them much misery and add to their life satisfaction in immeasurable ways. It's not that what I was doing before wasn't significant, it is that what I'm doing now is more meaningful to me."

It may be a career step, it may or it may not be a directional shift, but either way financial implications are involved in the move that puts the "me" in meaning in life.

### **Finding the keys**

The story is told of Harry Houdini that he had never failed an escape challenge, save one. One day Houdini walked into a jail cell and the door clanged shut behind him. From under his belt Houdini removed a strong and flexible piece of metal. He began to

work, but something seemed odd about this particular lock. He worked for 30 minutes with no results. Frustrated, he labored for another hour and a half. By now he was soaked in sweat and completely exasperated at his inability to pick this lock. Drained from the experience, Harry Houdini collapsed in frustration and failure and fell against the door. To his surprise and embarrassment, the door swung open – the door had never been locked! The door was only locked in the mind of Houdini.

We know that it is possible to have prosperity and peace of mind. We have seen those clients who manage their lives and resources in wise counsel and careful protection of life quality. These people are those who realize that there are both fiscal and philosophical keys for approaching financial and life decisions that are as good for the soul as they are for the portfolio. Chances are that these individuals are working with a financial advisor who possesses a similar sagacity. If they are not, they are certainly looking for one.

After interviewing many such settled individuals I developed the following list of Fiscalosophical keys that open up emotional space in our lives and provide more peace of mind.

**Key Number One:** Decide what you want from your money and life.

This comes only by asking yourself important philosophical questions:

- Is your life about making money or is your money about making a life?
- What do you want to be when you grow up?
- How much is your paycheck

costing you?

- If you had all the money now what would you do differently?

**Key Number Two:** Removing the clutter from your money memory.

This freedom comes by:

- examining the roots of our money behavior,
- looking at lessons we learned about money when we were young,
- taking an honest assessment of our worst money fears, and
- balancing the books on money mistakes we have made in the past.

**Key Number Three:** Move your money from the fantasy fund to the reality rollover.

This is the settling of the emotional / investment ledgers between best intentions and denied reality that helps people to:

- recover from market hangovers;
- admit past errors and move past them;
- stop blaming others for traps created by our own greed;
- admit that they often follow the insane herd for fear of getting left behind;
- realize valuable lessons about denial we easily fall into regarding our own financial behavior.

**Key Number Four:** Realize that the bottom line is not a number.

The bottom line is quality of life, not just quantity of accounts. This realization helps people to:

- understand the tether that connects their money and life;
- place a value on what they are willing to pay for security, peace of mind, and anxiety-free living;
- gain permission to do what is good for their life no matter what any broker, banker, accountant, or advisor may be telling them to the contrary;
- make money a servant and not a god.

Many people live their entire lives allowing isolated money thinking to dictate every move, turn, and life-changing circumstance. The end result for those people is stress, frustration, loneliness, and dissatisfaction with the what they have gained. Those who have allowed money to exclusively dictate their working life and their decisions regarding retirement later regret not making better use of their most valuable resource – time. We have a world of people who are hungry to learn how to use their money to create quality in their lives and the lives of others. The right relationship with the right kind of financial advisor, one who really gets it, can have a virtual Houdini effect in their life. The doors will swing open toward getting what they always hoped their money would deliver.

Mitch Anthony is the founder and president of Advisor Insights Inc. (the parent company of [MitchAnthony.com](http://MitchAnthony.com), [The Financial Life Planning Institute](http://TheFinancialLifePlanningInstitute.com), [PracticeTools.net](http://PracticeTools.net), and [NewRetirementality.com](http://NewRetirementality.com)). For more than a decade, Mitch and his team have provided training and development for both individual advisors and major financial organizations. His ideas for client engagement are being licensed by major firms throughout the industry.

Mitch is the author of several books for advisors and consumers, including *The New Retirementality*, *The Cash In The Hat*, *StorySelling for Financial Advisors*, *Your Clients for Life*, *Your Client's Story*, and *From The Boiler Room To The Living Room*. He is a very popular keynote speaker delivering 70+ speeches a year at industry events.

Mitch is a former contributing editor for *Research* magazine and currently his column "Financial Life Planning" appears in *Financial Advisor* magazine. He has been named one of the financial service industry's top "2006 Movers & Shakers" by *Financial Planning* magazine.

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# *Recession-Proof Your Retirement Years*

by Steve Vernon, FSA

For anybody preparing for retirement, the goal is easy to say, a lot harder to do: You want enough income to cover your living expenses for the rest of your life, no matter how long you live and no matter what happens with the economy. At all costs, you want to prevent being broke at age 85 when you can't push "rewind" on your life or your finances.

Many financial planners focus on building wealth; this is a different problem from developing reliable sources of income in your retirement years, which is what I'll show you how to do in this article. To stack the odds against the risk of outliving your money, I'll share ten smart steps your clients can take to recession-proof their retirement years.

## **What does it mean to "recession-proof" your retirement years?**

There are several things you need to understand in order to make the best plans for your rest-of-life:

- You can't prevent a recession, depression or high inflation from happening. That's out of your control.
- You can't even prevent these events from causing some damage to your finances. That's unrealistic.
- You can adopt strategies that will help you survive these events, so they don't cause you permanent damage and you can hold on until the economy recovers.

- You'll need to protect against other risks as well.

Over the span of the past 23 years, there have been four major downturns:

- The 1987 stock market crash;
- The savings and loan crisis of the early 1990s;
- The bursting of the tech bubble that lasted from 2000 to 2002;
- The stock market crash and economic downturn of 2008-2009.

Those of you with longer memories may also remember the stock market crash of 1974-1975 and the high inflation of the late 1970s.

Economic downturns and calamities happen — they're simply inevitable. And since you'll most likely be retired for 20 years or more, it would be wise to prepare for future crises, since one or more is bound to happen at some point in your retirement years. This article provides a systematic plan to help you survive future economic challenges and minimize the damage, so you can focus on enjoying life.

## **Top 10 retirement mistakes**

When it comes to retirement, one of the worst mistakes people make is neglecting to plan ahead. Instead, they just "wing it" with regard to drawing down their retirement savings. They take out what they need for living expenses and hope their money will last. Well, hope is not a good strategy!

Instead, you've got to have a plan. You've got to carefully consider just what your retirement needs will be in order to make sure you don't run out of money. You don't want you or your

loved ones to become destitute in your 80s while you still have some good years of life ahead of you. A good plan will help you avoid this fate.

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By planning ahead, you may be able to avoid these **Top 10 Retirement Mistakes**:

1. Not creating a realistic assessment of financial resources. Half of all older workers haven't calculated what they need for retirement or budgeted for retirement expenses.
2. Retiring too early with insufficient financial resources. This is a natural consequence of not preparing a financial-needs analysis. And an increasing reliance on 401(k)/account-based plans presents a significant challenge. The average 401(k) account balances of older Americans are far from sufficient to fund an adequate lifetime income.
3. Starting pension benefits too early. Most workers retire before maximizing their retirement income.
4. Starting Social Security benefits too early. Half of all Americans start taking benefits at age 62, the earliest possible age, which generates the lowest amount of monthly income.
5. Drawing down 401(k)/retirement savings too rapidly. Withdrawing just 4% to 5% per year is considered a safe withdrawal percentage, but many people withdraw at much higher rates.
6. Uninformed or poor selection of financial advisors and/or products. Choosing unwisely can seriously affect how much money your investments earn.
7. Tapping home equity too early through home equity loans or reverse mortgages. You might need that money later in life if you need long-term care.
8. Continuing an unhealthy lifestyle. Doing so increases your chances of developing expensive, debilitating conditions.
9. Not having strategies in place for medical and long-term care expenses. You don't want these expenses to wipe out your retirement savings.
10. Having living expenditures that are unnecessary, unrealistic or unaffordable, given all the above mistakes. You don't want to run out of money in your later years and then regret buying things that weren't really necessary or important.

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And here's one more, thrown in for good measure:

11. Not having a good idea of what you want to do in your retirement years!

Which brings us to the next set of lists...

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## Good and Bad Reasons to Retire

| GOOD REASONS TO RETIRE  | BAD REASONS TO RETIRE  |
|---|--|
| <p>You have a good idea of what you want to do with your time, or you have a plan to find out.</p> <p>You've prepared a strong financial plan, and you have sufficient financial resources.</p> | <p>You're bored with or sick of work.</p> <p>You got laid off.</p> <p>You don't like your boss.</p> <p>Your friends are retiring.</p> <p>Retirement is what you're supposed to do at your age.</p> <p>Your parents retired at your age.</p> <p>You think you have enough money, though you don't really know for sure.</p> |

**HOMEWORK ITEM: *Determine your reasons for retiring.*** This is a great topic to discuss with your spouse, partner or close friends and family. Talking through important issues with people who care about you is an excellent way to help you make difficult decisions. Having good reasons to retire and avoiding the bad reasons gets you off to a great start.

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### Hopes and Dreams vs. Fears and Concerns

Before we go any further, let's do an exercise I like to call "Hopes and Dreams vs. Fears and Concerns." I want you to take five minutes and list out all the hopes and dreams you have for the future. What do you want to do with your time? Do you want to travel? Do you have hobbies or interests you want to pursue? How would you like to be remembered? This list is the first step you'll take towards living the life you want. One poignant way to complete this exercise is to write your obituary, and then vow to live up to it.

Then take another five minutes and write out all your fears and concerns about the future. What events or situations might prevent you from realizing your hopes and dreams? What are you most scared will happen in your retirement years to prevent you from living the life you want?

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**HOMEWORK ITEM:** *Share and discuss your lists with your spouse or partner and/or close friends and relatives who care about you.* Sharing your list gives you the opportunity to get feedback from the people who know you best, people who can help you live the best possible *rest-of-life*.

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Now that you've made your list, you can use it as you evaluate the solutions that are out there for building retirement security. This helps you decide what kind of plans you can make that will help you realize your hopes and dreams and protect against your fears and concerns. Setting your

intent to address these issues is a powerful first step.

And with good plans in place, you'll feel more confident that you'll be able to realize your hopes and dreams, and that your fears and concerns won't prevent you from enjoying your life.

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**HOMEWORK ITEM:** *Visit with older friends and relatives who are doing well in their retirement years.* Ask them about their secrets to living well in their rest-of-life. You'll learn some good tips, and having good examples to follow helps you make important changes in your own life.

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### **Top 10 Retirement Risks**

Understanding the mistakes people make regarding retirement is only the first step toward creating the type of rest-of-life you really want. You also need to understand the risks involved with retirement:

1. Living too long and running out of money
  2. Recession/stock market crash that reduces the value of your retirement savings
  3. Inflation eroding the value of your fixed pensions and fixed investments
  4. Low interest rates that result in reduced income
  5. Poor health and resulting high medical bills
  6. Potentially ruinous bills for long-term care expenses
  7. Reduction in wage income you need during your retirement years
  8. Bad advice, fraud or theft
  9. Death of your spouse
  10. Loneliness, boredom or lack of purpose
-

Addressing these risks will help you prevent the most common mistakes shown previously. And you can address these risks by implementing the

following strategies that will help provide security in your retirement years.

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## 10 Steps to Retirement Security

1. Take care of your health.
2. Protect against the risk of catastrophic conditions.
3. Consider working as long as you can.
4. Maximize Social Security income by delaying benefits.
5. Be prudent when withdrawing retirement savings.
6. Maximize income from traditional pension plans.
7. Manage your investment risk and invest for income.
8. Adjust living expenses to match your retirement income.
9. Develop a robust social portfolio.
10. Become a student of retirement and build a professional team.

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These steps aren't rocket science; they're mainly common sense. And while all of us should be taking these steps to insure security in our retirement years, many people aren't. The fact is, most people haven't done much planning because they just haven't thought much about their retirement years, or they don't know where to start.

Planning wisely for your rest-of-life simply means making every dollar count and using all the resources available to you — financial and non-financial. Let's go on to cover a few more important issues.

### **Just how much time to you have left?**

When it comes to your rest-of-life, there's really a lot at stake. Studies from the Society of Actuaries estimate

the life expectancies for men as shown in Table 1, and for women as shown in Table 2, on the following page.

Doesn't knowing that you may have twenty to thirty years left inspire you to want to make the most of those years? Isn't it worth spending some time now planning to get it right? Here's one way to look at it: Why not spend the same amount of time you'd take planning your next vacation and plan for your rest-of-life — a time span much longer than the typical two-week vacation?

The tables on the next page also just show the average years remaining for both healthy and unhealthy people, all mixed together. Can you beat the averages? Absolutely! If you make a few lifestyle changes (eat right, get enough exercise, manage stress, stop

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**Table 1. Life Expectancies for Men**

| CURRENT AGE | EXPECTED REMAINING YEARS | EXPECTED AGE AT DEATH |
|-------------|--------------------------|-----------------------|
| 50          | 31                       | 81                    |
| 55          | 27                       | 82                    |
| 60          | 22                       | 82                    |
| 65          | 18                       | 83                    |
| 70          | 14                       | 84                    |

Source: RP-2000 mortality table

**Table 2. Life Expectancies for Women**

| CURRENT AGE | EXPECTED REMAINING YEARS | EXPECTED AGE AT DEATH |
|-------------|--------------------------|-----------------------|
| 50          | 34                       | 84                    |
| 55          | 29                       | 84                    |
| 60          | 25                       | 85                    |
| 65          | 21                       | 86                    |
| 70          | 17                       | 87                    |

Source: RP-2000 mortality table

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smoking), you can improve your odds and add another five to seven years to your life expectancy. On the other hand, if you continue unhealthy habits, you can tip the time frames in the other direction and actually subtract five to seven years from your expected lifespan!

This knowledge should motivate you to make the necessary lifestyle changes that will enable you to live longer, live healthier and spend less

money on medical and long-term care expenses. And a great “side” benefit is that you’ll look and feel better now. The downside? You’ll need more money to fund a longer retirement, so that’s why you need to consider your lifestyle and finances together when planning for the rest of your life.

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**HOMEWORK ITEM: *Estimate your life expectancy by taking your lifestyle and family history into account.*** It can be an eye-opener to many people to learn that your financial resources may need to last a much longer time after you stop working than you had initially thought. Two excellent websites that can help you estimate your life expectancy are [www.livingto100.com](http://www.livingto100.com) and [www.bluezones.com](http://www.bluezones.com). The good thing about both of these sites is that they give you tips to put into practice that will help improve your results.

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### **Money is not enough!**

When planning for your retirement years, you need to build a financial portfolio that will support your intended lifestyle. But that isn't sufficient for a long, prosperous rest-of-life. You must think more broadly and include strategies that will improve your health and lifestyle, too.

These three areas — finances, health and lifestyle — overlap and influence each other throughout our lives, and they're especially critical in our retirement years. For instance, if you don't have your health, then you drain your finances trying to get healthy and you most likely aren't very happy. Another overlap? Studies have shown that if you're happy and satisfied with your life, you're less likely to get sick.

Here's another example: Studies have also shown that money can't buy happiness, yet not having enough money to meet your basic needs can make you unhappy. Also, worry and stress over finances can adversely affect your health, making you "sick with worry."

Finding ways to improve each of these three areas — finances, health and lifestyle — significantly increases the odds of having a long, prosperous life. And while it's not guaranteed, following the strategies outlined in this guidebook should put you in the ballpark. From there, you can always

make adjustments as you experience life's twists and turns.

But — and here's the important part — if you're not even close to having sufficient resources, you may not be in the position to guide your destiny. Instead, you'll merely get the life that shows up, which may not be the life that you want.

### **The magic formula**

At parties and social situations, once people learn that I'm a consulting actuary who writes about retirement, they often ask me for a magic formula or number that will guarantee a secure retirement. At last, this actuary is the life of the party!

Back to the question, the operative word here is "magic." Do you believe in magic? I didn't think so. There is, however, an effective formula that you can use to manage your resources for the rest of your life:

$$I > E$$

The first part of the formula is your income (the "I" in the equation above). That'll include such financial sources as Social Security, pensions, savings, 401(k) plans and income from work. The second part of the formula is your expenses (the "E" in the equation above).

For the average American, 75% of their household budget goes toward the following five expenses (in this order):

- Housing
- Transportation
- Food
- Health

- Entertainment

In order to make sure you have sufficient resources for retirement, you've got to determine the right balance between income and expenses, one that will make you happy, both before and during retirement.

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## Top 10 Retirement Decisions

Understanding your sources of "I" and "E" helps you answer the following questions:

1. How much money will you need during your retirement years?
2. How much should you save between now and the start of your retirement?
3. Will you need (or want) to work in your later years?
4. When should you start taking your lifetime retirement incomes from Social Security and, if applicable, from a traditional pension?
5. How can you draw down your retirement savings so you don't outlive your savings?
6. How can you best manage your living expenses to match your income?
7. What type of investments should you make and how should you allocate your assets?
8. What steps will you take to improve your health?
9. How can you manage the risk of high expenses for medical and long-term care services?
10. What will you do with your time?

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Determining the answers to these questions will help you more easily answer the biggest question of all: When can — or should — you retire?

Even if you don't have all the information you need to get the answers you're seeking, realize that getting in the ballpark is a good first step — and is often good enough. And it's certainly much better than doing nothing.

## Take inventory

In preparation for your financial planning, you'll want to take inventory of all your financial resources that might produce income or provide protection against risks in your retirement years. Be sure to include all your 401(k) balances, IRAs and pension benefits you've earned, as well as your spouse's resources. If you work for a nonprofit or government, include balances in 403(b) and 457 savings

plans. Also list all the insurance policies you have that can provide protection in your retirement years, such as life insurance, medical insurance, disability insurance and long-term care insurance. Don't include the value of your house, antiques, jewelry, collectibles, etc. unless you plan to sell them and convert them to assets that can generate income. And if this is

the case, be sure to reduce any sales proceeds by estimates of applicable taxes and selling costs.

Another important part of your inventory is your "human capital." While it's not financial in nature, it most certainly affects just how comfortable your rest-of-life will be.

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### Your Human Capital Inventory

- How many friends or relatives can you confide in and discuss important life decisions with?
- How many friends or relatives live nearby and would come to your aid in an emergency?
- Would any of these friends or relatives be able to take care of you if you needed long-term care?
- Do you have friends or relatives with whom you can share resources, such as a car, appliances, tools, etc.?
- With how many friends and relatives do you participate in regular activities that give you enjoyment and meaning in life? Are you "diversified," meaning that you have several good friends in addition to your spouse or partner?
- What social institutions are nearby that can help you and provide social contacts? Include such associations as churches, social organizations, clubs and the like.
- What state and local government organizations or nonprofits are available to provide potentially necessary services?

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Please don't overlook these important non-financial resources; if financial resources are insufficient to provide the resources you need, your "human capital" may need to be put to good use.

### Wrapping up

There's no use hiding the fact that we face significant challenges in our retirement years. Here's one example: The average 401(k) balance for people in their 50s and 60s is about

\$100,000. This will generate a lifetime income that increases for inflation of roughly \$5,000 per year. This won't exactly fund those "golden years" we've all been looking forward to. Add the threat of large medical bills, and you can really get anxious about the future. I've seen the statistics: somewhere between 30 million and 50 million older Americans are in this predicament. But instead of worrying about these challenges, you can take action.

In spite of the challenges we face, I believe it's a good time to be aging. There's plenty of scientific and medical research that shows us how to live long, healthy lives. Social research shows what makes us happy and gives us meaning, particularly in our later years. There are many robust, efficient financial products and services, as well as nonprofit organizations that advocate for seniors and provide helpful resources. And all of

these resources are at our fingertips because of the internet. None of these resources were available to our parents' generation, so we've got a tremendous head start.

It's just up to us to make the best with what we've got. Following the 10 steps in this article will put you on a good path to recession-proofing your retirement years.

This article is an excerpt from the Introduction to Steve Vernon's latest book, *Recession-Proof Your Retirement Years: Simple Retirement Planning Strategies That Work Through Thick or Thin*. This book provides details on all of the 10 steps listed in the above article, and it provides realistic solutions for average working Americans who face significant challenges in their retirement years. *Recession-Proof Your Retirement Years* is available for individual or bulk purchase. For more information, see [www.restoflife.com](http://www.restoflife.com).

Steve Vernon, FSA, is President of Rest-of-Life Communications, and a member of the Executive Faculty and Research Fellow with the California Institute for Finance at California Lutheran University, where he conducts research on behavioral finance. In 2006, he retired as Vice President and Consulting Actuary with Watson Wyatt Worldwide. Currently he also completes strategic projects and helps with intellectual capital development for Mercer. For 35 years, he has helped large employers design and manage their retirement programs.

Steve produces unbiased, trusted information and strategies to help working people prepare for their retirement years. Currently he writes a blog column on retirement issues for CBS MoneyWatch, titled Money For Life.

In 2007, he produced a DVD/booklet combination titled *The Quest: For Long Life, Health and Prosperity*. It interviews 12 experts in the fields of life planning, health and finance, and interviews 13 people from all walks in life who are living examples of the advice from the experts. It reflects the latest thinking in planning for your rest-of-life.

He has published three books with John Wiley & Sons: *Live Long & Prosper! Invest in Your Happiness, Health and Wealth for Retirement and Beyond* (2005); *Don't Work Forever! Simple Steps Baby Boomers Must Take to Ever Retire*; and *Employee Benefits: Valuation, Analysis and Strategies* (1993).

For more information on Steve Vernon and his works, see his website [www.restoflife.com](http://www.restoflife.com).

## Research Notes

Please contribute to this column by sending us notices or links for research related to aging, advising, demographics, financial decision-making, retiree attitudes or lifestyles, death and dying, or any of the numerous other topics of broad interest to financial and life planners.

### Advising

Some of Bryan Olson and Mark W. Riepe's 11 recommendations in "Improving the Adviser-Client Relationship, Part 1" apply only to financial planners, but most of them are worth pondering by any kind of adviser. See their article in the December 2009 issue of the *Journal of Financial Planning* (Vol. 22, No. 12).

In the February 2010 issue of the same journal, (Vol. 23, No. 2), Cicily Carson Maton *et al* address "Collaborating with a Financial Therapist: The Why, Who, What, and How." They argue strongly for collaboration between financial advisors and financial therapists, and provide very practical advice on how to do this in a beneficial, productive fashion.

Paul J. Yakoboski put together a study on "The Use and Impact of Advice among Near-Retirees" for the TIAA-CREF Institute (*Trends and Analysis*, February 2010). The study is of employees in higher education and deals with financial issues primarily, but it finds that older employees are more likely to both seek and implement advice. For the complete analysis, see: [http://www.tiaa-crefinstitute.org/pdf/research/trends\\_issues/ti\\_nearretirees0210a.pdf](http://www.tiaa-crefinstitute.org/pdf/research/trends_issues/ti_nearretirees0210a.pdf)

In the January 2010 issue of the *Journal of Financial Planning* (Vol. 23, No. 1),

Bonnie A. Hughes writes about the importance of financial planners serving the middle market, not just the wealthy, and outlines what it takes to be successful at it. Her article is titled "Learning the Lessons in (Not Yet) Serving the Masses."

In the same issue, Neal Van Zutphen offers "A Visual Aid for Successful Financial Planning: The Happiness Risk / Reward Pyramid." He combines the work of Abraham Maslow and Elizabeth Kübler-Ross with ideas from *Changing for Good* by Prochaska, Norcross and DiClemente, to create a visual aid that can help planners unite financial concerns with deeper issues.

### Aging

Sara J. McLaughlin *et al* report that fewer than one in eight older Americans are aging "successfully" according to the Rowe and Kahn definition, that this percentage declined from 1998 to 2004, and that the odds are lower for people who are older, male, or of lower socioeconomic status. An abstract of their article "Successful Aging in the United States: Prevalence Estimates From a National Sample of Older Adults," in the *Journal of Gerontology: Social Sciences* (Vol. 65B, No. 2, March 2010) is available at: <http://psychsocgerontology.oxfordjournals.org/content/65B/2/216.abstract>

In the same issue, Yunkyung Jung *et al*

look at "Productive Activities and Development of Frailty in Older Adults." They find that, though high-functioning older adults who participate in productive activities are less likely to become frail, after adjusting for age, disability, and cognitive function, only volunteering, not paid work or child care, is associated with lower cumulative odds of frailty. See the abstract at: <http://psychsocgerontology.oxfordjournals.org/content/65B/2/256.abstract>

Corinna E. Löckenhoff *et al* examine "Perceptions of Aging Across 26 Cultures and Their Culture-level Associates" in the December 2009 issue of *Psychology and Aging* (Vol. 24, No. 4). They found widespread cross-cultural consensus regarding the expected direction of aging trajectories with (a) perceived declines in societal views of aging, physical attractiveness, the ability to perform everyday tasks, and new learning; (b) perceived increases in wisdom, knowledge, and received respect; and (c) perceived stability in family authority and life satisfaction.

### *Psychology and Neuroscience*

Michelle N. Shiota and Robert W. Levenson explore "Effects of Aging on Experimentally Instructed Detached Reappraisal, Positive Reappraisal, and Emotional Behavior Suppression" in the December 2009 issue of *Psychology and Aging* (Vol. 24, No. 4). Results revealed age-related decline in ability to implement detached reappraisal, enhancement of ability to implement positive reappraisal, and maintenance of ability to implement behavior suppression, as methods of regulating emotional reactions.

The National Survey on Drug Use and Health released *Illicit Drug Use among Older Adults* on December 29, documenting that there are about 4 million Americans in or near retirement who use illicit drugs. For different versions of this report, with and without detailed data tables, see: <http://oas.samhsa.gov/2k9/168/168OlderAdults.cfm>

In "Unexplained Variation Across U.S. Nursing Homes in Antipsychotic Prescribing Rates," in the *Archives of Internal Medicine* (Vol. 170, No. 1, January 2010), Y. Chen *et al* observe that antipsychotic prescribing patterns vary by nursing home and appear to be more a matter of facility prescribing culture than residents' clinical status. For the abstract, see: <http://archinte.ama-assn.org/cgi/content/abstract/170/1/89>

Huang Chang Quan *et al*, in a systematic review of studies of health and depression in older people, determined that among the elderly, poor self-reported health status appears to be more strongly associated with depression than the presence of chronic disease. For an abstract of "Health Status and Risk for Depression among the Elderly: a Meta-analysis of Published Literature" (*Age & Ageing*, Vol. 39, No. 1, January 2010), see: <http://ageing.oxfordjournals.org/cgi/content/abstract/39/1/23>

Susanne Scheibe and Laura L. Carstensen discuss "Emotional Aging: Recent Findings and Future Trends" in the February 2010 issue of the *Journal of Gerontology: Psychological Sciences* (Vol. 65B, No. 2). They argue that efforts to link levels of emotional function-

ing with long-term outcomes, combining space- and time-sensitive measures of brain function, and developing interventions to improve life quality for older adults may further refine life-span theories and open promising avenues of empirical investigation. See the abstract at:

<http://psychogerontology.oxfordjournals.org/content/65B/2/135.abstract>

In the Winter 2010 edition of *Aging Well* (Vol. 3, No. 1), Jennifer Van Pelt's article, "Brain Fitness Games: The Real Deal," explores recent interest in, and growing skepticism about, the use of challenging mental games to help promote brain fitness. For the complete article, go to:

<http://www.agingwellmag.com/archive/020110p22.shtml>

### *Sociology and Demographics*

*Data Sources on Older Americans 2009*, released by the Federal Interagency Forum on Aging related Statistics, highlights the aging-related products currently available from member agencies of the Forum as well as other U.S. federal agencies. For a complete copy of this valuable reference, go to:

[http://www.agingstats.gov/agingstatsdotnet/Main\\_Site/Data/2009\\_Documents/Final\\_DSOA2009\\_508.pdf](http://www.agingstats.gov/agingstatsdotnet/Main_Site/Data/2009_Documents/Final_DSOA2009_508.pdf)

The MetLife Mature Market Institute has issued a demographic and attitudinal study of the middle group of Baby Boomers titled *Boomers in the Middle: An In-Depth Look at Americans Born 1952-1958*. The full text is at:

<http://www.metlife.com/assets/cao/mmi/publications/studies/2010/mmi-boomers-middle.pdf>

Links to the Institute's briefer profiles of six different U.S. age groups are available at:

<http://www.metlife.com/mmi/research/generational-profiles.html#introduction>

The PEW Research Center has surveyed teen and twenty-something Americans, and characterizes them as confident, self-expressive, liberal, upbeat and open to change. For the full text of *The Millennials: Confident. Connected. Open to Change* (February 2010), go to:

<http://pewsocialtrends.org/assets/pdf/millennials-confident-connected-open-to-change.pdf>

See also *The Millennials* (December 2009), by Scott Keeter and Paul Taylor: <http://pewresearch.org/pubs/1437/millennials-profile>

David E. Bloom *et al* have produced a paper on *The Graying of Global Population and Its Macroeconomic Consequences* (October 2009) for the Harvard School of Public Health. They argue that lower fertility rates will lead to fewer dependent children and more labor force participation by women, which will offset the increase in older people, thus resulting in only a modest economic impact in most countries. Their report is available at:

[http://www.hsph.harvard.edu/pgda/WorkingPapers/2009/PGDA\\_WP\\_47.pdf](http://www.hsph.harvard.edu/pgda/WorkingPapers/2009/PGDA_WP_47.pdf)

*World Population Aging 2009* was published this past December by the Population Division of the U.N. Department of Economic and Social Affairs. This report updates and extends the 2002 and 2007 editions, including new features on aging in rural and urban areas, the coverage of pension systems, and the impact of the 2007-2008 financial crisis on pension systems. Find the full report at:

[http://www.un.org/esa/population/publications/WPA2009/WPA2009\\_WorkingPaper.pdf](http://www.un.org/esa/population/publications/WPA2009/WPA2009_WorkingPaper.pdf)

## *Investment and Personal Finances*

Annamaria Lusardi is interviewed concerning the 2009 *FINRA National Financial Capability Survey* released in December. This first of its kind survey explores how Americans manage their resources and how they make financial decisions. To listen to this January 2010 interview, visit the U.S. Population Reference Bureau website, at: <http://www.prb.org/Journalists/Webcasts/2010/financialcapability.aspx>

Karen E. Smith *et al* studied *How Seniors Change Their Asset Holdings During Retirement*, for the Boston College Center for Retirement Research (December 2009). They discovered that higher-income seniors increase their assets in retirement, middle-income seniors reduce their assets but at a rate that in most cases will not deplete assets within their expected life, but many low-income seniors accumulate fewer assets and spend their financial assets at a rate that will mostly deplete them at older ages. For the full report, go to: [http://crr.bc.edu/images/stories/Working\\_Papers/wp\\_2009-31.pdf](http://crr.bc.edu/images/stories/Working_Papers/wp_2009-31.pdf)

Or see the version on the Urban Institute website: [http://www.urban.org/uploadedpdf/412006\\_how\\_seniorschange.pdf](http://www.urban.org/uploadedpdf/412006_how_seniorschange.pdf)

A paper related in subject but different in method and results has been produced by James M. Poterba *et al* for the National Bureau of Economic Research. *Family Status Transitions, Latent Health, and the Post-Retirement Evolution of Assets* (February 2010) finds that assets generally tend to increase in retirement, but that where there is a divorce, the death of a spouse, or poor health, assets are more likely to decline. See the abstract at:

<http://www.nber.org/papers/w15789>

BrightScope, the 401(k) rating organization, responds in a critical way to the Investment Company Institute's defense of "six myths" about target date funds. The full text of *Real Facts about Target Date Funds* (released in February 2010) can be found at: <http://www.brightscope.com/blog/wp-content/uploads/2010/02/BrightScope-Real-Facts-about-Target-Date-Funds2.pdf>

In a December 2009 paper for the Boston College Center for Retirement Research, Norma B. Coe and Anthony Webb look at *Actual and Anticipated Inheritance Receipts*. They observe that most inheritances are modest, and so, while data suggest that actual inheritances tend to be in line with expectations, these do not affect the saving behavior of most people. For a full copy, visit: [http://crr.bc.edu/images/stories/Working\\_Papers/wp\\_2009-32.pdf](http://crr.bc.edu/images/stories/Working_Papers/wp_2009-32.pdf)

Rebecca Perron's February 2010 report for AARP, *African American Experiences in the Economy: Recession Effects More Strongly Felt*, indicates that despite greater efforts than the general population in promoting their own employability, African Americans have suffered more in terms of employment, health, and overall financial well-being during the recent recession, and are less confident about the future than the general population. For the complete study, consult: <http://assets.aarp.org/rgcenter/econ/economyaa.pdf>

The Transamerica Center for Retirement Research has produced a December 2009 report on *Women and Retirement*

ment: *Facing Challenges in a Recession*. Noting that the recent recession has hurt women's retirement outlook more than men's, the report highlights areas of concern, but also reveals opportunities to help women and all workers get back on track with their retirement savings. Find the full text at:

<http://www.transamericacenter.org/Resources/TCRS%202009%20WomenRetirement.pdf>

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Raymond Maurer *et al* argue that equity investments should decline for workers approach retirement if they have a low degree of uncertainty about retirement income, but that equity exposure should rise until retirement for people with high uncertainty about retirement income. An abstract of their January 2010 study for the National Bureau of Economic Research, titled *The Effect of Uncertain Labor Income and Social Security on Life-cycle Portfolios*, is available at:

<http://www.nber.org/papers/w15682>

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The *Social Security Bulletin* (Vol. 70, No. 1, 2010) has published a study by Benjamin Bridges *et al*, "Assessing the Performance of Life-Cycle Portfolio Allocation Strategies for Retirement Saving: A Simulation Study." Their results are, as to be expected, that allocations with higher percentages in equities would have performed better, on average, over most historical periods, but the risk of failure is higher as well. For the complete article, go to:

<http://www.socialsecurity.gov/policy/docs/ssb/v70n1/v70n1p23.pdf>

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John Chalmers and Jonathan Reuter examine data from the Oregon Public Employees Retirement System and find that retirees value incremental life annuity payments at less than their ex-

pected present value, either because they do not know how to accurately value life annuities or because they have strong demand for large lump sum payouts – but that in circumstances where these factors are not at issue, better decisions are made. The abstract of this December 2009 paper for the National Bureau of Economic Research, titled *How Do Retirees Value Life Annuities? Evidence from Public Employees*, is available at:

<http://www.nber.org/papers/w15608>

### *Pensions, Annuities, and Social Security*

In a January 2010 paper for the Boston College Center for Retirement Research, Nadia Karamcheva and Geoffrey Sanzenbacher address *Is Pension Inequality Growing?* They find that with the growth of defined contribution plans, participation has been declining in the lower third of income earners (though participation rates overall are fairly steady), and that automatic enrollment has not boosted participation for the lower two-thirds of income earners. For a full copy, visit:

[http://crr.bc.edu/images/stories/Briefs/ib\\_10-1.pdf](http://crr.bc.edu/images/stories/Briefs/ib_10-1.pdf)

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Also for the Boston College Center for Retirement Research, Alicia H. Munnell and Laura Quinby explore the issue of *Pension Coverage and Retirement Security*. They note that about one-third of working people are not covered at all by pension plans, and that among those who are, with a mobile workforce, people are moving in and out of employer-based coverage, leading to far smaller accumulations than what one would expect based on spreadsheet calculations. For the full analysis, see:

[http://crr.bc.edu/images/stories/Briefs/ib\\_9-26.pdf](http://crr.bc.edu/images/stories/Briefs/ib_9-26.pdf)

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In the March 2010 issue of the *Journal of Financial Service Professionals*, Garth Bernard discusses “Measuring the Value of a Guaranteed Lifetime Withdrawal Benefit” – a particular issue where such benefits are not being paid in a lump sum.

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In same issue, Richard B. Toolson and Caroline K. Craig explore “Should Prospective Retirees Forgo Tax-Deductible Contributions to Retirement Plans to Reduce Required Minimum Distribution Payments?” They analyze how this question can be answered in light of potential future increases in federal tax rates.

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The Investment Company Institute’s January 2010 study, *Enduring Confidence in the 401(k) System: Investor Attitudes and Actions*, shows continued consumer support for 401(k) plans and, perhaps surprisingly, continued low levels of loans and withdrawals combined with steady levels of new contributions, despite the recent recession. For the complete report, visit: [http://www.ici.org/pdf/ppr\\_10\\_ret\\_saving.pdf](http://www.ici.org/pdf/ppr_10_ret_saving.pdf)

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Craig Lemoine *et al* discuss “Achieving Sustainable Retirement Withdrawals: A Combined Equity and Annuity Approach,” in the January 2010 issue of *The Journal of Financial Planning* (Vol. 23, No.1). They compare mixes of equities and bonds with different rebalancing strategies, but find that using an equity portfolio with a fixed annuity component provides the best chance of sustaining withdrawal rates.

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In the February 2010 issue of the same journal (Vol. 23, No. 2), James X. Xiong *et al* use Monte Carlo analysis to ana-

lyze the situations in which Guaranteed Minimum Withdrawal Benefit riders are more and less good bets for people purchasing deferred variable annuities (“Allocation to Deferred Variables Annuities with GMWB for Life”).

### *Work and Retirement*

Jacquelyn B. James *et al* have produced a paper for the Sloan Center on Aging and Work titled *Engaged as We Age: The End of Retirement as We Know It?* (February 2010). They explore whether the old assumptions and expectations about aging reflect the current reality, new views of aging (and critiques of those views), and the benefits of a revised conceptual model of retirement and aging. For the full report, see: [http://agingandwork.bc.edu/documents/IB24\\_EngagedAsWeAge.pdf](http://agingandwork.bc.edu/documents/IB24_EngagedAsWeAge.pdf)

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Kenneth S. Shultz *et al* studied European workers to test causes and effects of workplace stress. Time pressure produced stress in workers of all ages, but only older workers were also notably sensitive to autonomy and schedule flexibility issues. For an abstract of “Age Differences in the Demand-Control Model of Work Stress” (*Journal of Applied Gerontology*, Vol. 29, No. 1, February 2010) go to: <http://jag.sagepub.com/cgi/content/abstract/29/1/21>

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What’s wrong with current U.S. retirement plans? Plenty, according to the 2009 SHRM [Society for Human Resource Management] Executive Roundtable on the Future of Retirement, held July 24, 2009. To view the full text of the *Executive Summary*, which outlines the problems and solutions discussed, go to: <http://www.shrm.org/Research/FutureWorkplac>

[eTrends/Documents/09-0697%20Future\\_Retire\\_FNL\\_VIEW\\_ONLY\\_3.pdf](#)

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David J. Ekerdt reviews the shifting boundary between work and retirement, identifying areas that call for further research, and warning we should be wary of prescribing regimes of behavior for late careers and retirement that many people are unsuited to fulfill. An abstract of his article "Frontiers of Research on Work and Retirement," in the *Journal of Gerontology: Social Sciences* (Vol. 65B, No. 1, January 2010) is available at:

<http://psychocgerontology.oxfordjournals.org/content/65B/1/69.abstract>

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The SunLife Unretirement Index website contains results of separate retirement surveys for the U.S. and Canada. Americans are more pessimistic, and increasingly anticipate working into their late sixties, while Canadians seem better prepared for retirement, as they make saving a higher priority all along. For more on the latest (2009) results, see:

<http://www.sunlife-usa.com/unretirementindex/index.cfm>

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Fact Sheet #26 for the Sloan Center on Aging and Work, titled *Entrepreneurship and the Older Worker* (February 2010) reviews data and attitudes concerning this subject, observing that workers age 50+ are much more likely to be entrepreneurs, but not usually because of inability to find other employment. For the details, see:

[http://agingandwork.bc.edu/documents/FS26\\_Entrepreneur\\_OlderWrkrs\\_2010-01-25.pdf](http://agingandwork.bc.edu/documents/FS26_Entrepreneur_OlderWrkrs_2010-01-25.pdf)

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John A. Turner and Hazel A. Witte have prepared a December 2009 report for

the Society of Actuaries titled *Retirement Planning Software and Post-Retirement Risks*. They found a long list of problems with the software they tested for the post-retirement market. For links to both summary and full versions of this report, see:

<http://www.soa.org/research/pension/retirement-planning-software-post-retire-risk.aspx>

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The California Center for Population Research has sponsored a study by James M. Raymo, *et al*, titled *Later-life Employment Preferences and Outcomes: The Role of Mid-life Work Experiences* (January 20, 2010). They evaluate relationships between mid-life work experiences and the realization of preferences for full-time employment, part-time employment, and complete retirement at age 63-64. The complete study is available at:

<http://papers.ccpr.ucla.edu/papers/PWP-CCPR-2009-045/PWP-CCPR-2009-045.pdf>

The same organization and the same team also has studied *Mid-life Work Experiences and First Retirement* (January 20, 2010). Here they find that employment stability, occupational mobility, self-employment, and union membership across the life course are all associated with the timing of first retirement. They also demonstrate that characteristics of mid-career employment are associated with the relative likelihood of retiring for health reasons and reemployment following retirement. See the full report at:

<http://papers.ccpr.ucla.edu/papers/PWP-CCPR-2009-047/PWP-CCPR-2009-047.pdf>

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Richard W. Johnson and James Kaminski review *Older Adults' Labor Force Participation since 1993: A Decade and a Half of Growth* in a January 2010 fact sheet for the Urban Institute. It's not just a matter of more older

people available for work, but higher percentages of them actually in the workforce. To see the full text, go to: [http://www.urban.org/uploadedpdf/412011\\_older\\_adults\\_labor\\_force.pdf](http://www.urban.org/uploadedpdf/412011_older_adults_labor_force.pdf)

with supporting data available at: [http://www.urban.org/uploadedpdf/412012\\_data\\_appendix.pdf](http://www.urban.org/uploadedpdf/412012_data_appendix.pdf)

Dannii Y. Yeung and Helene H. Fung examine "Aging and work: How Do SOC Strategies Contribute to Job Performance Across Adulthood?" in the December 2009 issue of *Psychology and Aging* (Vol. 24, No. 4). In their study of Chinese sales workers, they found that work strategies involving selection, optimization, and compensation were employed very differently, and with different degrees of success in different circumstances, by older vs. younger workers.

Richard W. Johnson *et al* have produced two papers this past January for the Urban Institute on disabilities that interrupt work shortly before retirement. The first, *Disability Just Before Retirement Often Leads to Poverty*, explains how many Americans who develop disabilities in their fifties or early sixties fall into poverty. See: [http://www.urban.org/uploadedpdf/412009\\_disability\\_retirement.pdf](http://www.urban.org/uploadedpdf/412009_disability_retirement.pdf)

The other, *Work Ability and the Social Insurance Safety Net in the Years Prior to Retirement*, reissued from November 2009, examines disability benefit receipt, income, and poverty status for a sample of Americans as they age, and reveals that fewer than half of people who meet the authors' disability criteria ever receive disability benefits in their fifties or early sixties. See: [http://www.urban.org/uploadedpdf/412008\\_work\\_ability.pdf](http://www.urban.org/uploadedpdf/412008_work_ability.pdf)

### *Health, Medicine, and Elder Care*

Anthony Webb and Natalia Zhivan discuss: *What Is the Distribution of Lifetime Health Care Costs From Age 65?* in their March 2010 brief for the Boston College Center for Retirement Research. They find the expected present value of lifetime uninsured health care costs for a typical married couple age 65 is about \$197,000, with a 5-percent risk that it will exceed \$311,000. With nursing care included, the number increases from \$197,000 to \$260,000, with a 5-percent risk of exceeding \$570,000. For the full text, visit:

[http://crr.bc.edu/images/stories/Briefs/ib\\_10-4.pdf](http://crr.bc.edu/images/stories/Briefs/ib_10-4.pdf)

Richard W. Johnson and Corina Mommaerts also chime in on this subject with *Will Health Care Costs Bankrupt Aging Boomers?* – a February 2010 report from the Urban Institute. They use a different approach and discuss annual rather than lifetime costs, but their projections are also potentially quite dire. You can find the entire text at:

[http://www.urban.org/uploadedpdf/412026\\_health\\_care\\_costs.pdf](http://www.urban.org/uploadedpdf/412026_health_care_costs.pdf)

In yet another twist, Paul J. Yakoboski of the TIAA-CREF Institute has produced a December 2009 paper exploring *Meeting Health Care Expenses in Retirement: How Ready Are Near-Retirees?* Despite relatively high levels of concern among older employees in higher ed institutions, relatively few have actually discussed this subject with a financial advisor, although they recognize that this would be beneficial. For the complete analysis, check out:

[http://www.tiaa-crefinstitute.org/pdf/research/trends\\_issues/ti\\_healthcare\\_1209.pdf](http://www.tiaa-crefinstitute.org/pdf/research/trends_issues/ti_healthcare_1209.pdf)

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David Armes deals at length with a topic that rarely gets such solid treatment in "Long-Term Approaches to Managing Retirement Healthcare Costs." His article in the December 2009 issue of the *Journal of Financial Planning* (Vol. 22, No. 12) explains how advisers can evaluate the various options by estimating the price of excellent insurance, and identifying which coverage options (especially catastrophic protection) are important to a given client.

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Anna Dahl *et al* have produced an article whose title explains the key result: "Being Overweight in Midlife Is Associated With Lower Cognitive Ability and Steeper Cognitive Decline in Late Life," (*Journal of Gerontology: Medical Sciences*, Vol. 65A, No. 1, January 2010). They also note that this connection is not the result of higher risk of dementia. The abstract is available at: <http://biomedgerontology.oxfordjournals.org/content/65A/1/57.abstract>

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AARP has prepared a state-by-state collection of "Long Term Care Briefs 2009". For links to these one-page summaries for each state, go to: [http://www.aarp.org/research/surveys/care/ltc/resources/articles/state\\_ltc\\_b\\_09.html](http://www.aarp.org/research/surveys/care/ltc/resources/articles/state_ltc_b_09.html)

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The Kaiser Family Foundation published a December 2009 Issue Brief titled *What's in the Stars? Quality Ratings of Medicare Advantage Plans, 2010*. Analyzing the ratings of plans by the U.S. Centers for Medicare and Medicaid Services, Kaiser finds that the highest rated plans tend to be offered by not-for-profits and tend to be older plans. Although about one-quarter of plans are highly rated, in some states, as few as

2% of participants are enrolled in the highly rated plans. For the complete report, refer to:

<http://www.kff.org/medicare/upload/8025.pdf>

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In "Person-Centered Care For Nursing Home Residents," in *Health Affairs* (Vol. 29, No. 2, January 2010), M.J. Koren reports that the "culture change" movement represents a fundamental shift in thinking about nursing homes. Facilities are viewed not as health care institutions, but as person-centered homes offering long-term care services. For an abstract and a link to the full article, visit:

<http://www.rwjf.org/pr/product.jsp?id=54109>

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In the previous issue of *Health Affairs* (Vol. 29, No. 1, January 2010), P. Doty *et al* discuss "New State Strategies to Meet Long-Term Care Needs." They describe state efforts to support consumer-directed long-term care service programs that give participants the flexibility they want, while reducing unmet needs for home and community-based services and supports. See:

<http://www.rwjf.org/pr/product.jsp?id=53890>

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Rosemary Blieszner and Karen A. Roberto discuss "Care Partner Responses to the Onset of Mild Cognitive Impairment" in the February 2010 issue of *The Gerontologist* (Vol. 50, No. 1). They observe that assisting a relative with MCI presents new and complex challenges, even though it is an early caregiving role, and that care partners likely would benefit from strategies for reducing self-blame, enhancing coping skills, sustaining their sense of mastery, managing their health, seeking and accepting respite, and communicating effectively with the person with MCI and significant others. See the abstract at:

<http://gerontologist.oxfordjournals.org/content/current>

In the same issue, Gordon MacNeil *et al* write about "Caregiver Mental Health and Potentially Harmful Caregiving Behavior: The Central Role of Caregiver Anger." They suggest screening caregivers for anger, because the stresses of caregiving can incite those prone to anger to potentially harmful behaviors. The abstract is available at:

<http://gerontologist.oxfordjournals.org/content/50/1/11.abstract>

A December 2009 U.S. General Accounting Office study is titled, *Medicare Advantage: CMS Assists Beneficiaries Affected by Inappropriate Marketing but Has Limited Data on Scope of Issue*. This report documents the volume and kinds of problems the Centers for Medicare and Medicaid have dealt with in this area, but notes that no general survey has documented the extent of the problems. For the complete report, visit:

<http://www.gao.gov/new.items/d1036.pdf>

Anne Forster *et al*, in a systematic review of studies of physical rehabilitation in older people, determined that only about two-thirds reported favorable results. For an abstract of "Is Physical Rehabilitation for Older People in Long-term Care Effective? Findings from a Systematic Review" (*Age & Ageing*, Vol. 39, No. 2, March 2010), see:

<http://ageing.oxfordjournals.org/cgi/content/abstract/39/2/169>

In the same issue, Miles D. Witham and Alison Avenell reviewed studies of "Interventions to Achieve Long-term Weight Loss in Obese Older People." They found that although modest

weight reductions were observed, there is a lack of high-quality evidence to support the efficacy of weight loss programs in older people. You can view the abstract at:

<http://ageing.oxfordjournals.org/cgi/content/abstract/39/2/176>

Thomas M. McGill has written a 2010 paper on elder disability, *Optimizing Function in Old Age: Our Grandparents, Our Parents, Our Future Selves*, for the Syracuse University Center for Policy Research. He emphasizes that functional decline and disability are dynamic processes with high rates of recovery; and that disability is clearly preventable through exercise and physical activity, through fall prevention, and perhaps in the future through pharmacologic treatment. For his full report, see:

<http://www-cpr.maxwell.syr.edu/pbriefs/pb42.pdf>

Hal H. Atkinson *et al*/report that in older women, cognitive decline generally precedes or co-occurs with physical performance decline. An abstract of their article "The Relationship Between Cognitive Function and Physical Performance in Older Women: Results From the Women's Health Initiative Memory Study," in the *Journal of Gerontology: Medical Sciences* (Vol. 65A, No. 3, March 2010) is available at:

<http://biomedgerontology.oxfordjournals.org/content/65A/3/300.abstract>

Rembrandt Sholz and Anne Schulz have studied the life expectancies of men and women in Germany, and how many of those years are spent in long-term care. Men spend significantly less time in long-term care, but both men and women had higher increases in long-term care periods than in overall lon-

gevity from 1999 to 2005. The Sholz/Shulz January 2010 paper for the Max Planck Institute for Demographic Research, titled *Assessing Old-Age Long-term Care Using the Concepts of Healthy Life Expectancy and Care Duration: The New Parameter "Long-Term Care-Free Life-Expectancy (LTCF)"*, is available in full at:  
<http://www.demogr.mpg.de/papers/working/wp-2010-001.pdf>

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In the Winter 2010 edition of *Aging Well* (Vol. 3, No. 1), Deborah Crabbs MacDonald writes about "Communication Partners," and explains how such aides can benefit patients with acquired aphasic disorders. For the complete article, go to:  
<http://www.agingwellmag.com/archive/020110p14.shtml>

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The MetLife Mature Market Institute reported on the impact of caregiving on the health and finances of employees. This February 2010 study, *The MetLife Study of Working Caregivers and Employer Health Care Costs*, is available in full at:  
<http://www.metlife.com/assets/cao/mmi/publications/studies/2010/mmi-working-caregivers-employers-health-care-costs.pdf>

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Employee Benefits Research Institute brief #339 (February 2010) summarizes presentations at EBRI's 65th biannual policy forum, held in Washington, DC, on Dec. 10, 2009, on the topic, "Employers, Workers, and the Future of Employment-Based Health Benefits." For the complete text, visit:  
[http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_02-2010\\_No339\\_EB-Bens.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_02-2010_No339_EB-Bens.pdf)

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The AHIP Center for Policy and Research, an insurance industry group, has put out

a January 2010 report on *Trends and Innovations in Disability Income Insurance: An Update from America's Health Insurance Plans*. It highlights new features being offered in the industry to help meet the particular challenges of covering employee disability in a difficult economy. For the complete document, refer to:  
[http://www.ahipresearch.org/pdfs/Trends\\_DI\\_Insurance\\_Dec09.pdf](http://www.ahipresearch.org/pdfs/Trends_DI_Insurance_Dec09.pdf)

### *House and Home*

Rebecca Boldt *et al*, under the auspices of the Robert M. La Follette School of Public Affairs at the University of Wisconsin, have studied the question: *Do Rising Property Taxes Lead the Elderly to Move from their Homes?* (October 2009). They discovered that among homeowners over the age of 79, only 1 in 300 moved because their property taxes grew at an above-median rate, and that even most of these taxpayers were not actually being forced out of their homes because they could not afford their increased property taxes. For the full study, visit:  
<http://www.lafollette.wisc.edu/publications/workingpapers/reschovsky2009-026.pdf>

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Nan Sook Park *et al* report on "Transportation Difficulty of Black and White Rural Older Adults" in the February 2010 issue of the *Journal of Applied Gerontology* (Vol. 29, No. 1). They find that for older rural white adults, ease of transportation decreases with income. But for their black counterparts, the relationship is not with income, but with age, gender, marital status, mental acuity, and depression. See the abstract at:  
<http://jag.sagepub.com/cgi/content/abstract/29/1/70>

### *Family and Social Networks*

Susan L. Brown and Sayaka Kawamura have produced a January 2010 paper on *Relationship Quality Among Cohabitators and Marrieds in Older Adulthood*, for the National Center for Family and Marriage Research at Bowling Green University. They report that middle age and older cohabitators (a growing population) and married people do not significantly differ in their reports of emotional satisfaction, pleasure, openness, time spent together, criticism, and demands. Cohabitators are less likely than marrieds, however, to report that their relationship is "very happy." For the complete study, visit:

[http://ncfmr.bgsu.edu/family\\_%20marriage\\_lit/Working%20Papers/PDFs/wp10-01.pdf](http://ncfmr.bgsu.edu/family_%20marriage_lit/Working%20Papers/PDFs/wp10-01.pdf)

David Russell's article, "Living Arrangements, Social Integration, and Loneliness in Later Life: The Case of Physical Disability" reveals that older people living with a spouse are less lonely than those living with children or extended family, and that this difference is magnified for elders with disabilities. The abstract, from the *Journal of Health and Social Behavior* for December 2009 (Vol. 50., no. 4), can be found at:

<http://www.ingentaconnect.com/content/asoca/jhsb/2009/00000050/00000004/art00006>

Stephen Abbott notes that participation in groups and associations is regarded as one of the key components of social capital. Given the evidence that levels of social capital correlate with levels of health, it is reasonable to assume that participation levels are similarly associated. There is mixed evidence for this, but most of the research fails to identify different types that may be presumed to have rather different impacts on health. In "Social Capital and Health:

The Role of Participation," *Social Theory & Health* (Vol. 8, No. 1, February 2010), Abbott calls for enhanced research in this area. The abstract is available at:

<http://www.palgrave-journals.com/sth/journal/v8/n1/abs/sth200919a.html>

The PEW Research Center finds that a larger share of women today, compared with 1970, have more education and income than their spouses. As a result, in recent decades the economic gains associated with marriage have been greater for men than for women. For the full text of *New Economics of Marriage: The Rise of Wives* (January 2010), go to:

<http://pewresearch.org/pubs/1466/economics-marriage-rise-of-wives>

Betsey Stevenson has produced a working paper for the Penn Population Aging Research Center titled *Women's Education and Family Behavior: Trends in Marriage, Divorce and Fertility* (January 2010). She documents that while patterns for men have not changed much in recent years, college educated women marry later, have fewer children, are less likely to view marriage as "financial security", are happier in their marriages and with their family life, and are less likely to divorce than they were 30 years ago. For the full text, go to:

[http://repository.upenn.edu/cgi/viewcontent.cgi?article=1028&context=parc\\_working\\_papers](http://repository.upenn.edu/cgi/viewcontent.cgi?article=1028&context=parc_working_papers)

### *Leisure and Learning*

In the February 2010 issues of the *Journal of Financial Planning* (Vol. 23, No. 2), Richard F. Stolz assembles the wisdom of several financial specialists in his feature article: "Shielding Against College Investment Hazards and Bridging the Affordability Gap." His experts focus on investment risk, but also em-

phasize the importance of understanding the big picture concerning both family finances more broadly and also issues beyond just the financial ones.

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“Active Living by Design” is the featured subject of a Special Supplement of the *American Journal of Preventive Medicine* (Vol. 37, No. 6, December 2009). For a table of contents and links to the relevant abstracts, go to:

<http://www.rwjf.org/pr/product.jsp?id=52969>

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Fact Sheet #03 for the Sloan Center on Aging and Work, titled *Trends in Volunteerism among Older Adults* (updated January 2010) offers new data, and notes that older adults are more likely to continue to volunteer with organizations that offer opportunities to contribute managerial or professional skills, as well as flexible work schedules. For the details, see:

[http://agingandwork.bc.edu/documents/FS03\\_TrendsVolunteerism\\_2010-01-14.pdf](http://agingandwork.bc.edu/documents/FS03_TrendsVolunteerism_2010-01-14.pdf)

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Alicia Williams *et al* produced a report for AARP this January on *Connecting and Giving: A Report on How Mid-life and Older Americans Spend Their Time, Make Connections and Build Communities*. They describe and provide data from a telephone survey on how people age 45 and up spend their time, what organizations they belong to, what civic activities they engage in, and ways they help others through giving and volunteering. The study is available in its entirety at:

[http://assets.aarp.org/rgcenter/general/connecting\\_giving.pdf](http://assets.aarp.org/rgcenter/general/connecting_giving.pdf)

### *Spirituality, Purpose, and Meaning*

Mark Chaves dispels the notion that we should expect there to be any congru-

ence between religious beliefs on the one hand, and religious attitudes or behaviors on the other. An abstract of his presidential address, “Rain Dances in the Dry Season: Overcoming the Religious Congruence Fallacy” (*Journal for the Scientific Study of Religion*, Vol. 49, No. 1, March 2010) is available at:

<http://www3.interscience.wiley.com/journal/123306100/abstract>

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In the same issue, Miriam Pepper *et al* look at the relationship between personal values and religiousness in “A Study of Multidimensional Religion Constructs and Values in the United Kingdom.” Among other findings, they observe that religiousness relates to the “conservation / openness to change value dimension,” and spirituality relates to the desire for transcendence. For the abstract, go to:

<http://www3.interscience.wiley.com/journal/123306099/abstract>

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Tila M. Pronk *et al* explore “What It Takes to Forgive: When and Why Executive Functioning Facilitates Forgiveness,” in the January 2010 issue of the *Journal of Personality and Social Psychology*, Vol. 98, No. 1. They confirm that deliberative mental processes can enhance our ability to forgive.

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The PEW Research Center finds that while young American adults affiliate less with any particular faith and attend fewer religious services, their level of belief in God, heaven, and hell is comparable to that of their elders. For the full text of *Religion Among the Millennials* (February 2010), go to:

<http://pewresearch.org/pubs/1494/millennials-less-religious-in-practice-but-beliefs-quite-traditional>

The PEW Research Center also put to-

## *End of Life Issues*

gether a state-by-state analysis of religiousness, based on the importance of religion in people's lives, frequency of attendance at worship services, frequency of prayer, and absolute certainty of belief in God. A summary of the results, along with a link to an interactive map, can be found at *How Religious Is Your State?* (January 2010), available at:

<http://pewresearch.org/pubs/1449/states-ranked-by-religiosity-four-measures>

And finally from PEW Research Center, a report that many Americans attend worship services of more than one faith or denomination, and many also mix Christianity with Eastern or New Age beliefs such as reincarnation, astrology and the presence of spiritual energy in physical objects. Sizeable minorities of all major U.S. religious groups say they have experienced supernatural phenomena. See *Many Americans Not Dogmatic About Religion: Reincarnation, Astrology and the "Evil Eye"* (December 2009), at:

<http://pewresearch.org/pubs/1434/multiple-religious-practices-reincarnation-astrology-psyche>

In "The Spiritual Brain: Selective Cortical Lesions Modulate Human Self-Transcendence," Cosimo Urgesi *et al* report observing that selective damage to left and right inferior posterior parietal regions induces a specific increase in the predisposition toward spiritual feeling, thinking, and behaviors. An abstract of this article from the February 11, 2010 issue of *Neuron* (Vol. 65, No. 3) can be found at:

[http://www.cell.com/neuron/abstract/S0896-6273\(10\)00052-8](http://www.cell.com/neuron/abstract/S0896-6273(10)00052-8)

Tomas J. Philipson *et al* argue that existing theoretical and empirical analysis of the value of life often under-values life near its end, and that several factors drive up the value of life near its end, including the low opportunity cost of medical spending near one's death, and the value of hope (including living long enough to benefit from new innovations). The abstract of this January 2010 paper for the National Bureau of Economic Research, titled *Terminal Care and The Value of Life Near Its End*, is available at:

<http://www.nber.org/papers/w15649>

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Shayna E. Rich *et al* point out that family and staff perspectives about end-of-life experiences may differ substantially, but efforts can be made to improve family-staff communication and interaction for joint decision making. An abstract of their article, "Concordance of Family and Staff Member Reports About End of Life in Assisted Living and Nursing Homes," in the February 2010 issue of *The Gerontologist* (Vol. 50, No. 1) can be see at:

<http://gerontologist.oxfordjournals.org/content/50/1/112.abstract>