Higher Ed EAP
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Newsletter

Redefining Financial Success

When it comes to financial prosperity, how would you define success? For decades, home ownership has been the enduring symbol of success. But home ownership may have suffered a bit of a black eye in recent years after people watched property values crumble in a deteriorating market. Today, people appear to be defining success differently, at least according to recent surveys.

A survey by the National Endowment for Financial Education asked people about their top financial goals; another survey by credit.com asked people about their perceptions of what constitutes "the American Dream." In both surveys, respondents identified **achieving a financially secure retirement** as their top value. **Being debt free** and **home ownership** were both also seen as important, but retirement issues topped the lists – probably not all that surprising, given how many Baby Boomers are entering retirement years.

How close are people to achieving their dream of a secure retirement? About half of all workers are unsure they will save enough for a comfortable retirement and fear they will not have enough money to last. According to a recent Fidelity survey, 55 percent of US workers aren't saving enough to pay for essentials like housing, healthcare and food expenses. The Society of Actuaries found that more than half of Americans underestimate their life expectancy and that their financial planning time horizons are too short. On average, people live 15-20 years after retirement.

One of the ways that people are coping with the financial anxiety related to retiring is by extending the age at which they plan to retire. Gallup surveys show that the average person's expected retirement age is now 67, up from age 60 in the mid-1900s. And of those who do plan to retire at 65, 40 percent expect to continue working part-time.

Financial experts say that plans to supplement income after the age of 65 by continuing to work is a shaky retirement strategy because unforeseen circumstances such as health problems can interfere. In reality, people over the age of 65 make up only 5.4% of the U.S. working population.

Never too late to start

It's always better to plan for retirement early – the younger, the better. Your money grows via the benefit of compounding interest, a strong advantage. But no matter what age you are now or what age you plan to retire, you can take steps today that will improve your situation.

Your EAP has self-help resources and calculators for budgeting, investing and retirement planning – just log in at the Member portal. Or if you'd like to speak to a financial advisor, your EAP counselor can refer you to the right resource – just give a call.