



Is 70 the New 60? Understanding the Retirement Revolution

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You can't help getting older,
but you don't have to get old.
-- George Burns

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HOW WE GOT HERE



Age Wave

- Two-thirds of all the people who have ever lived past the age of 65 in the entire history of the world are alive today
 - 770M people (out of 8B) in the world are 65 and older; 55M are in the USA
 - This is likely the first time in history that we could see up to 4 generations working alongside one another
-

First Era of Retirement (up until ~ 1900)

- Up until the 20th century, most people didn't retire
 - Agrarian, family-based economy
 - People of all ages pitched in
 - Livelihood, social activity, self-worth
 - You worked all your life
 - Responsibilities changed as you aged
 - No real concept or expectation of retiring
-

“Steve, I Can’t Save Anything. I’m Just Going to Work Until I Die”

- 47% of people left the workforce earlier than they had planned due to at least one of the following:
 - Had to care for a spouse or family member
 - Had their own health problems
 - Had a disability
 - Had outdated skills at work
 - Other work-related reasons
 - Was laid off

Second Era of Retirement (~ 1900 - 1950)

- Industrial revolution continued growing and moved more of the labor force from farms to factories
- Older workers were let go when they weren't needed or could no longer perform at the pace or intensity of younger counterparts



Second Era – continued

- Social Security Act of 1935
 - Created a modest safety net
 - Introduced the concept of older people leaving the workforce to make room for the young
- In the 1930s, life expectancy was 62; many people didn't live long enough to collect Social Security
 - When they did, average was < 5 years
 - Trivia: Who was Ida Mae Fuller?
 - And life expectancy was increasing...



Third Era of Retirement (~ 1950 - 2010)

- In 1950, Congress increased Social Security benefits 77%
 - COLAs began in 1975
 - In the 1960s, company pensions covered half of all workers
 - Many people began to think of a financially secure retirement almost as an entitlement, a hard-earned reward for a life of hard work
 - People began retiring earlier
-

Third Era – continued

- Average retirement age decreased...
 - 1950 – 70
 - 1960 – 66
 - 1970 – 65
 - 1980 – 64
 - 1990 – 63
 - 2000 – 63
 - ...and retirement was now lasting for decades
-

Social Security Becomes Firmly Established

- 1935 – Social Security Act passes
- 1939 – Survivor, spouse and child benefits
- 1940 – First monthly checks mailed
- 1956 – Disability benefits for ages 50-64
- 1956 – Early retirement at 62 for women
- 1960 – Disability benefits for those under 50
- 1961 – Early retirement at 62 for men
- (1965 – Medicare begins)
- 1974 – Supplemental Security Income benefits
- 1975 – COLAs begin
- 1984 – Up to 50% is includible in taxable income
- 1994 – Up to 85% is includible in taxable income

Fourth Era of Retirement (~ 2010 - present)

- Baby boomers (76M born between 1946 – 1964)
 - Unprecedented economic clout!
 - Neither want to be called “seniors” nor want their parents’ retirement lifestyle
 - Want to be active, engaged, purposeful
 - Longevity is increasing
 - And retirement age is now increasing
-

Retiring Later

Percentage of U.S. Adults Who Are Retired, by Age Group, Over Time

Age	%, 2002-2007	%, 2008-2015	%, 2016-2022	Change
40-44 years	2	1	1	-1
45-49 years	3	4	2	-1
50-54 years	9	7	6	-3
55-59 years	19	15	11	-8
60-64 years	41	39	32	-9
65-69 years	76	71	70	-6
70-74 years	88	80	83	-5
75+ years	89	89	88	-1

Based on aggregated data from Gallup's annual Economy and Personal Finance survey
Age is the respondent's age at the time of the interview.

[Get the data](#)

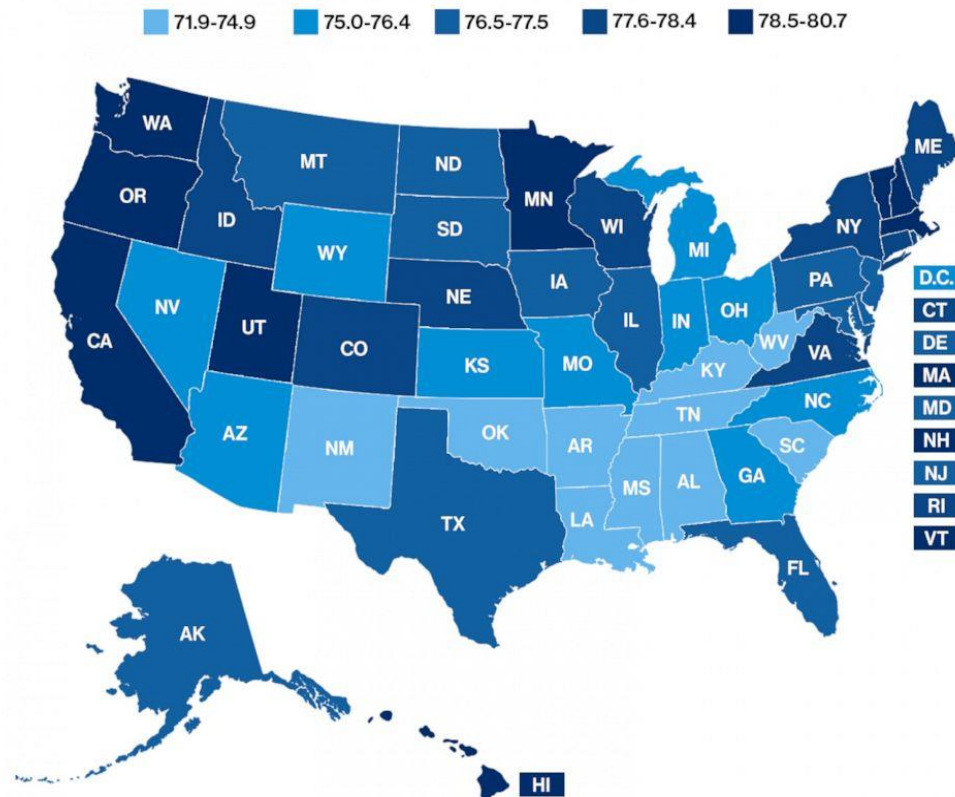
GALLUP

Life Expectancy at Birth

- 1900 – 47 122,000 age 85+
- 1920 – 55
- 1940 – 64
- 1960 – 70
- 1980 – 74
- 2000 – 77
- 2020 – 79 6.7M age 85+; in 2040, ~14.5M

Life Expectancy in Each State

Life Expectancy in the United States in 2020



Life Expectancy at Age 65

If You're 65 Today, Your Probability of Living to:

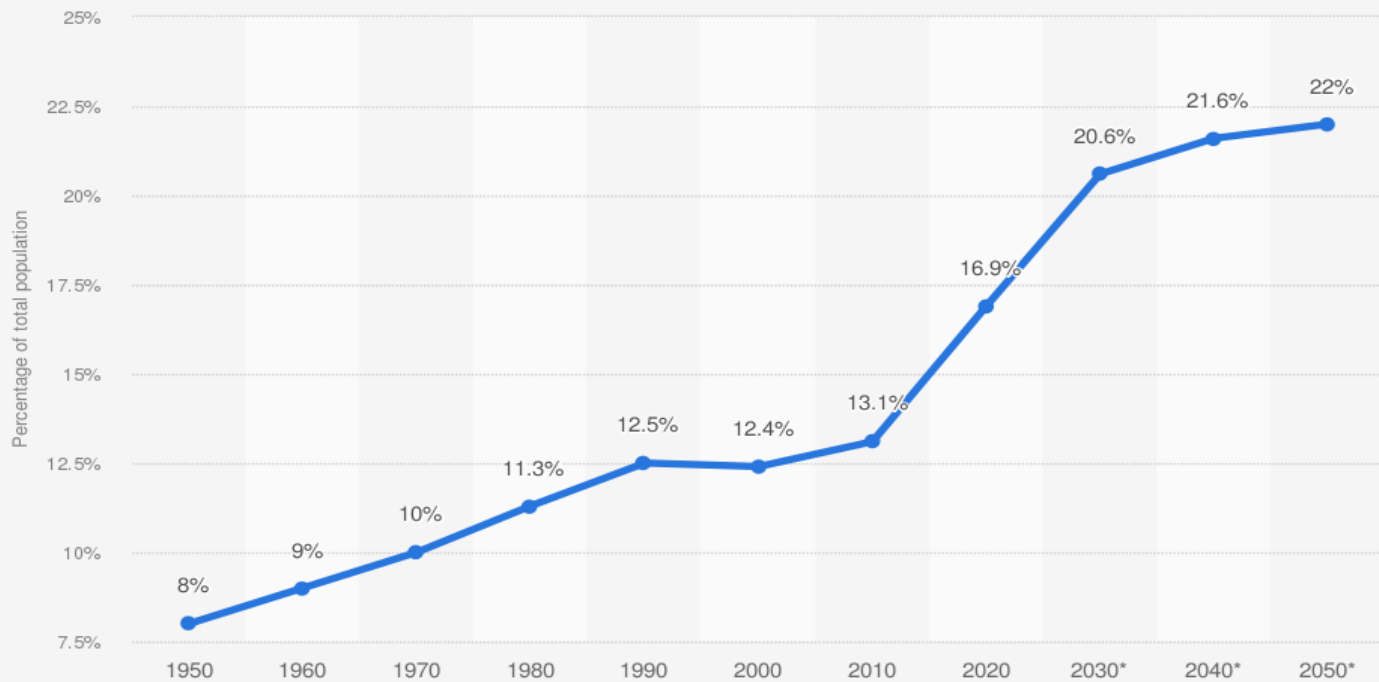
Age	Men	Women	1 or 2 of a couple
75	79%	86%	97%
80	63%	73%	90%
85	44%	55%	75%
90	23%	34%	49%
95	7%	14%	20%
100	1%	3%	4%

Source: Social Security Administration, 2020

97,000 Americans are over 100.
That's about the population of Edina and Minnetonka combined!

Country is Getting Older

Share of old age population (65 years and older) in the total U.S. population from 1950 to 2050



Sources

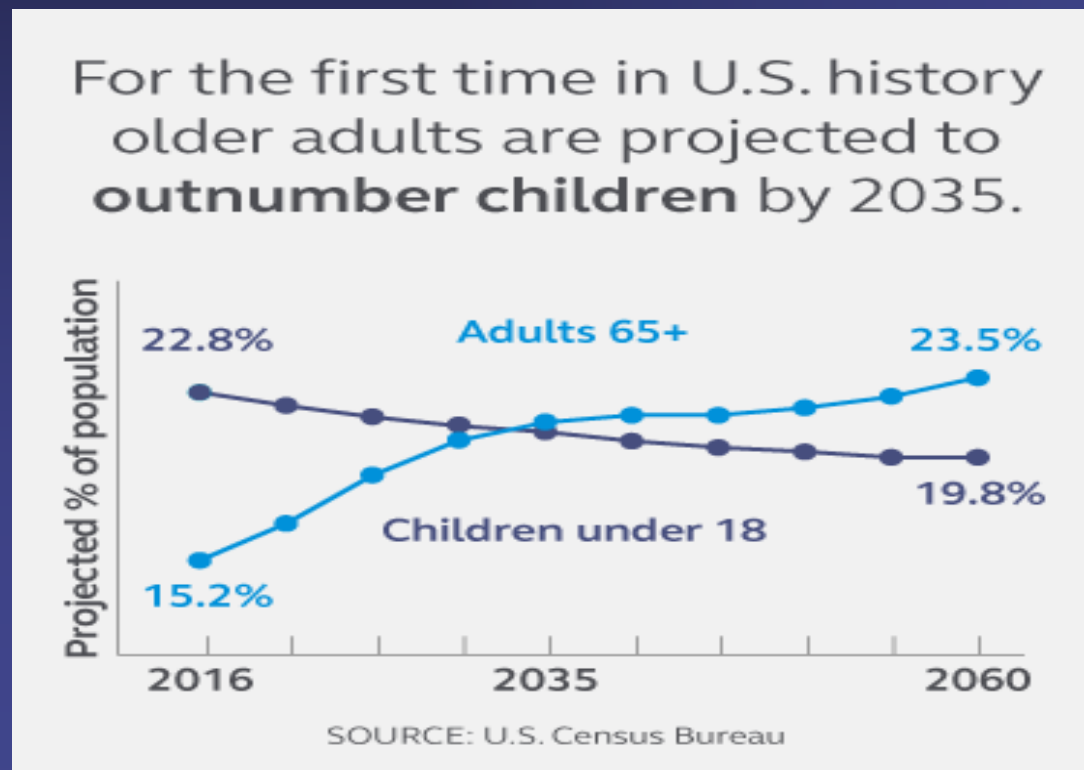
ChildStats.gov; US Census Bureau
© Statista 2022

Additional Information:

United States; ChildStats.gov; US Census Bureau; 1950 to 2050; 65 years and older

Unprecedented

- Soon there will be more adults over age 65 than there will be children



World is Getting Older

The Looming Retirement Crisis

Projected evolution of the number of retirees per 100 working people in selected countries*



* Number of people older than 65 years per 100 people of working age (20-64). Projections based on 2019 demographic data.

Source: OECD - Pensions at a Glance 2021



THE RETIREMENT TRANSITION



“Successful Retirement”

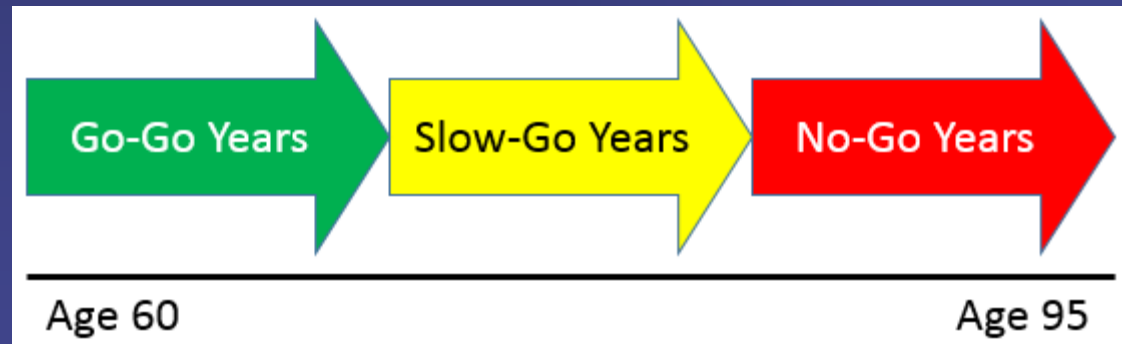
- There's a mental grid for most of life
 - K-12, maybe college/trade school, then work
- There is no “correct” retirement age
 - Personal story
- There is no universal definition of what a successful retirement looks like Think about that for a minute.
 - “Retirement to me means my time is no longer for sale. I own it 100%.” comment at www.esimoney.com
- WDYWFY?



Days to Fill

- Health
- People
- Pursuits
- Plans
- Volunteer
- PT work

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY



Appearances Can Be Deceiving

- A few years back, I had a client come in and say, “My life looks perfect to most people because I have a nice big house in an exclusive neighborhood, I have a nice car, can vacation when I want, and had a prestigious career. But I am all alone. I never see my neighbors, my kids are busy with their careers, and my friends who are still working are too tired to do anything after work, so I mostly do nothing and mean very little to others.”

-- Financial Advisor Magazine, April 2021

Retirement is Not Always Easy

➤ People Who Hate Retirement

- Wall Street Journal, April 16, 2022

➤ I Hate Retirement, Also

- www.retirement-online.com

➤ I Just Retired. Why Am I Unhappy?

- Psychology Today, June 2021

➤ Planning for Retirement Means More Than Saving in Your 401(k)

- Wall Street Journal, Sept. 1, 2022

➤ Retirement is Making People More Miserable Than Ever Before

- July 2, 2016

I'm so sick of the boredom of retirement and futility of it. I miss my job, period.

-- Comment at
www.retirement-online.com

What to Expect When You're Retiring

by Dr. Riley Moynes

- Phase 1 – Honeymoon; Vacation
 - Lasts maybe 1-2 years; fun!
 - Phase 2 – Disenchantment; Feel Loss & Feel Lost
 - No more routine, loss of identification, relationships, purpose and power
 - May be dealing with depression, fear, anxiety, divorce, physical/mental decline
 - “I can't go on like this...I can't feel this way for the rest of my life!”
-

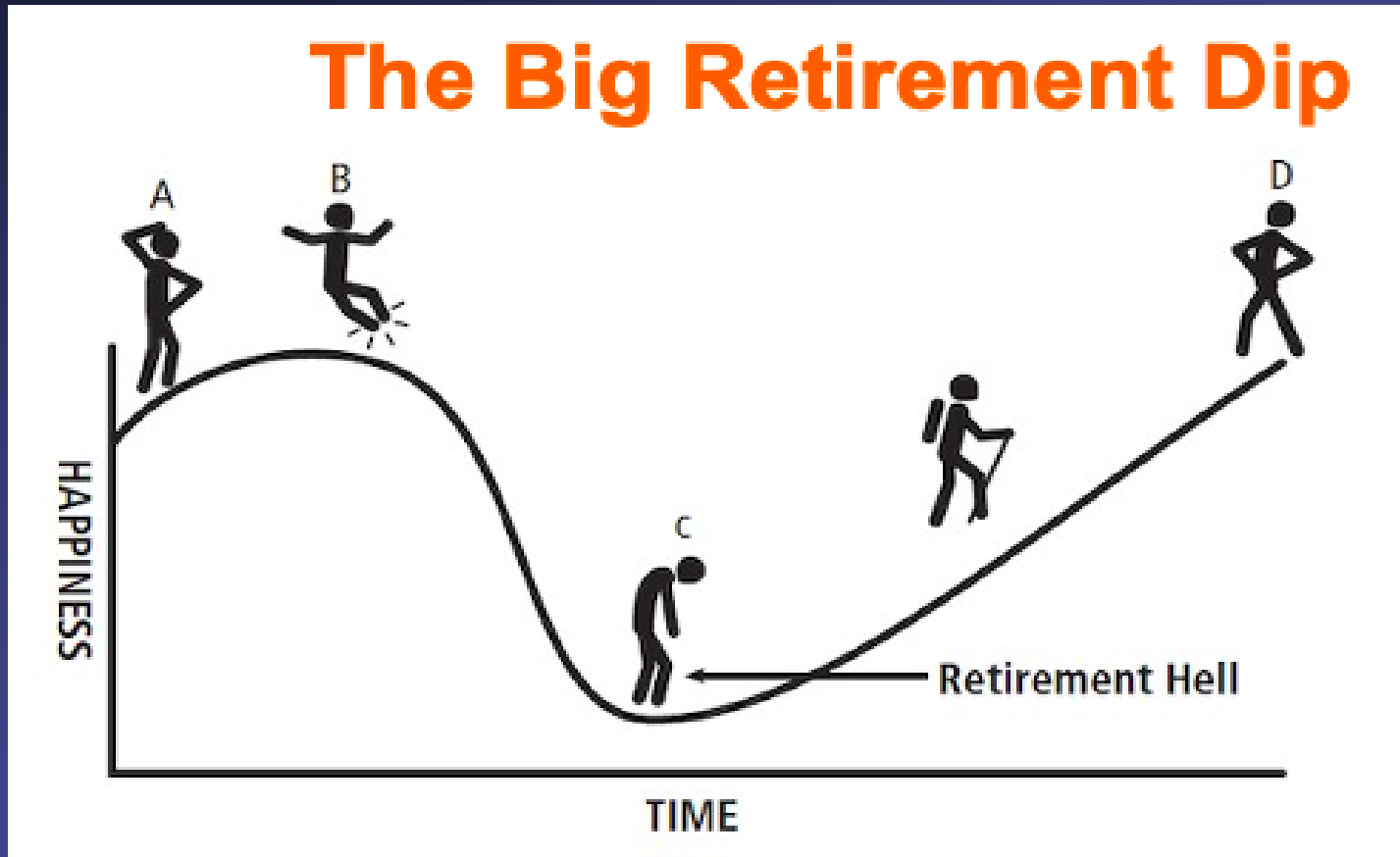
What to Expect When You're Retiring

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- Phase 3 – Reorientation; Trial & Error
 - How can I make my life meaningful again?
 - Absolutely critical to keep trying

 - Phase 4 – Stability; Mission Identified
 - Mission, purpose is discovered
 - Usually involves some type of service to others
-

Visually



Questions

- Who does retirement help and hurt?
- What would be different if we didn't have expectations to retire someday?
- Why do we still have retirement ages?
- What harsh truths about retirement do we as a society prefer to ignore?
- Does everyone have the same rights in retirement?



More Questions

- What do we lose or give up in order to retire?
- Where does a person's self-worth come from in retirement?
- What is the biggest waste of retirement?
- What does it mean to live a good life in retirement?



BABY BOOMERS



Different Perspectives

- Greatest Generation grew up in the shadow of the depression, lived through a world war
- Boomers benefited from peace, prosperity, the expansion of the middle class
 - Better educated
- Much of today's retirement involves ~76M baby boomers
 - Ages 59-77 right now
 - Big changes ahead



Strong Generational Identity

➤ Where they're from and when they're from



Cyndi Lauper



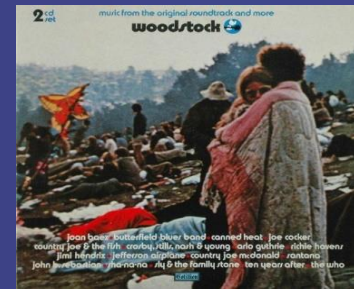
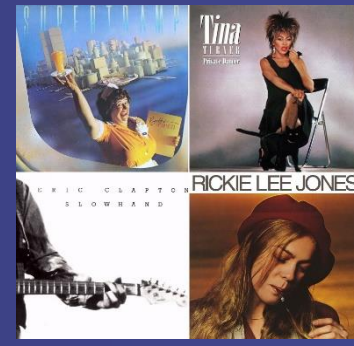
Paul McCartney



Jon Bon Jovi
(for Advil)



Rolling Stones tour sponsor:
Alliance for Lifetime Income

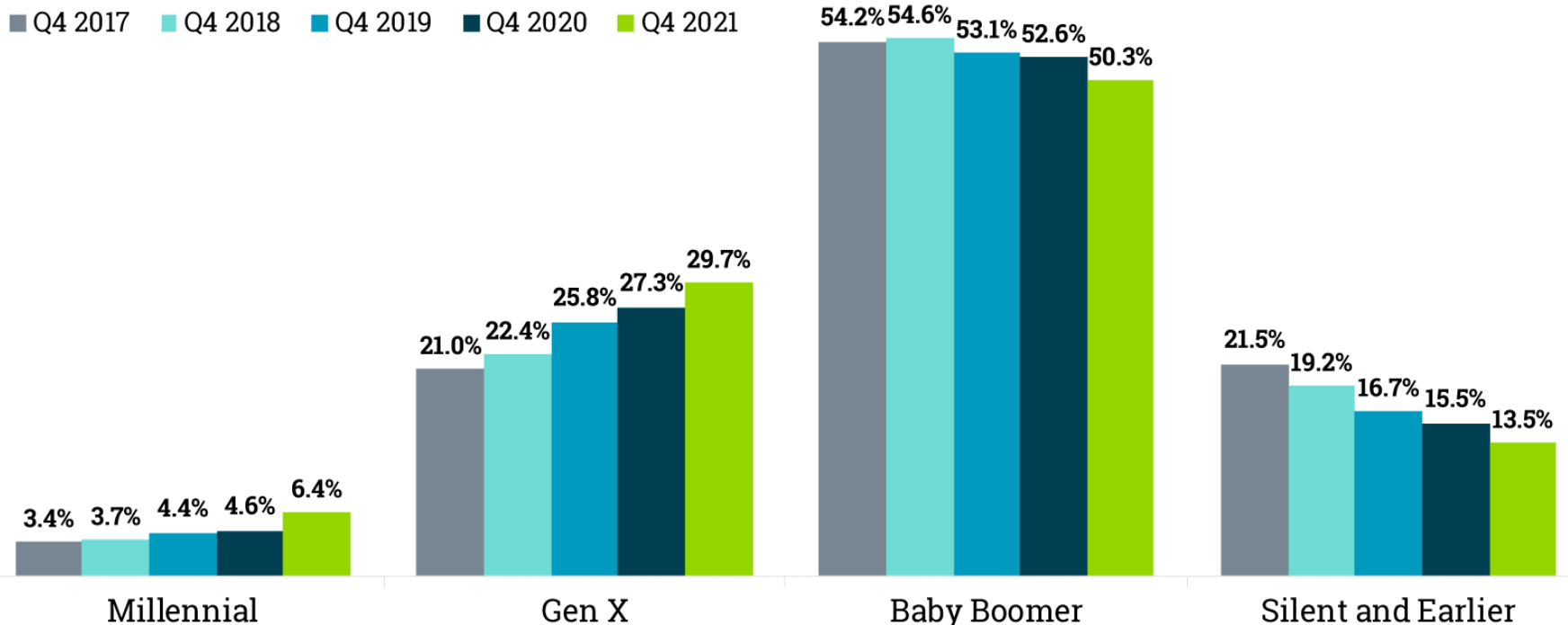


Boomers' Household Wealth

Share of US Household Wealth, by Generation



■ Q4 2017 ■ Q4 2018 ■ Q4 2019 ■ Q4 2020 ■ Q4 2021



Published on MarketingCharts.com in March 2022 | Data Source: US Federal Reserve

Millennial: born 1981 or later; Gen X: born 1965-1980; Baby Boomer: born 1946-1964; Silent and Earlier: born before 1946

Age 65+ Labor Force Participation Rate

- 1970: 17%
- 1980: 13%
- 1990: 12%
- 2000: 13%
- 2006: *First year that baby boomers turn 60*
- 2010: 16%
- 2020: 20%

Participation Rate:
The percentage of Americans that are in the labor force or actively looking for work.

Retiring Later

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[Get the data](#)

GALLUP

TIME AFFLUENCE AND DISCOVERING PURPOSE

Purpose

- When asked: “What do you worry about regarding retirement?”
- Pre-retirees said their big concern is not having enough money
- Recent retirees said their big concern is finding their purpose
 - “What will I do after breakfast every day?”
 - “Finding my purpose is what finally got me going.”

What Has Surprised You About Retirement?

- How quickly and completely I left behind a 37-year career.
- How important it was to have no substantial debt.
- My temporary loss of self-value.
- The unexpected luxury of time.
- That I would spend 100% of my preretirement income after I retired.
- Mortality of loved ones.
- You either pay now or pay later.

Other Thoughts from Retirees

- The commitment to exercise during the working years helps in the ability to have an active retirement.
- I have made many new friends since retiring.
- I have a dog and two cats that provide a lot of laughter and companionship.
- Having a happy retirement isn't all about finances but about finding things that keep you interested & engaged.
- I have to discover who I really am.
- Boredom in retirement is a choice.
- You need a reason to get up in the morning.

Values, Purpose, Goals

➤ Values, principles, beliefs

➤ Who are you?

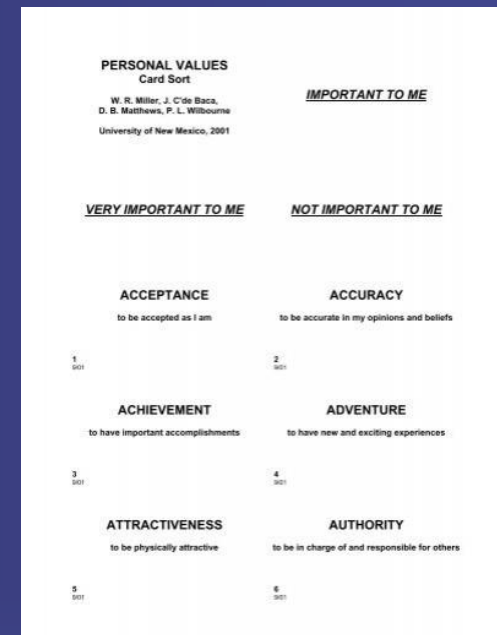
➤ Purpose, gifts, wants

➤ What do you want to accomplish?

➤ Goals, actions, thoughts

➤ How will you get there?

Google:
Values pdf cards



Created by:
W.R. Miller, J. C'de Baca,
D.B. Matthews, P.L..
Wilbourne. University of
New Mexico, 2001

Half of Older Americans are Considering 'Unretirement'

- 50% of retirees said they're considering unretiring because they enjoy the intellectual stimulation from working
- 36% said they don't want to feel a lack of purpose

WORK



Workforce is Getting Older

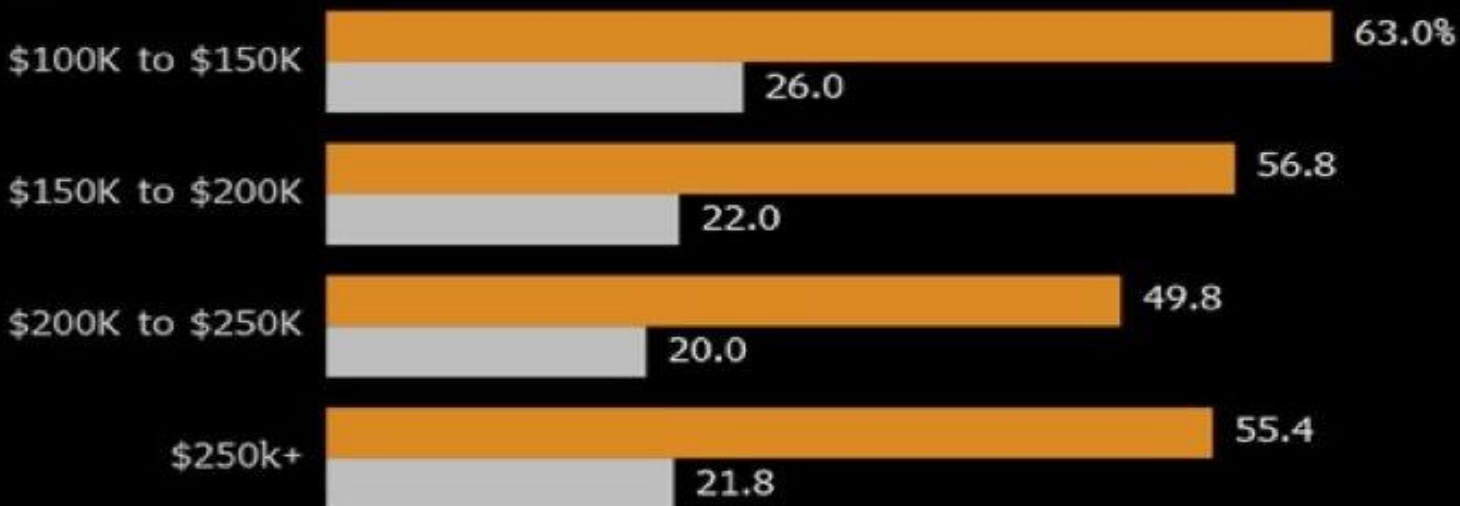
- Before 2010, almost all labor-force growth was driven by ages 25-64
- Workers age 65+ will account for 60%+ of projected labor-force growth from 2020-2030!
- “There is growing scientific evidence about the relationship of activity, purpose and engagement as we age and stay healthier.”
 - Michael Hodin, Global Coalition on Aging

Many Baby Boomers Live Paycheck to Paycheck

Budget Stress

US high earners who report living paycheck by paycheck

■ Millennial ■ Boomer+

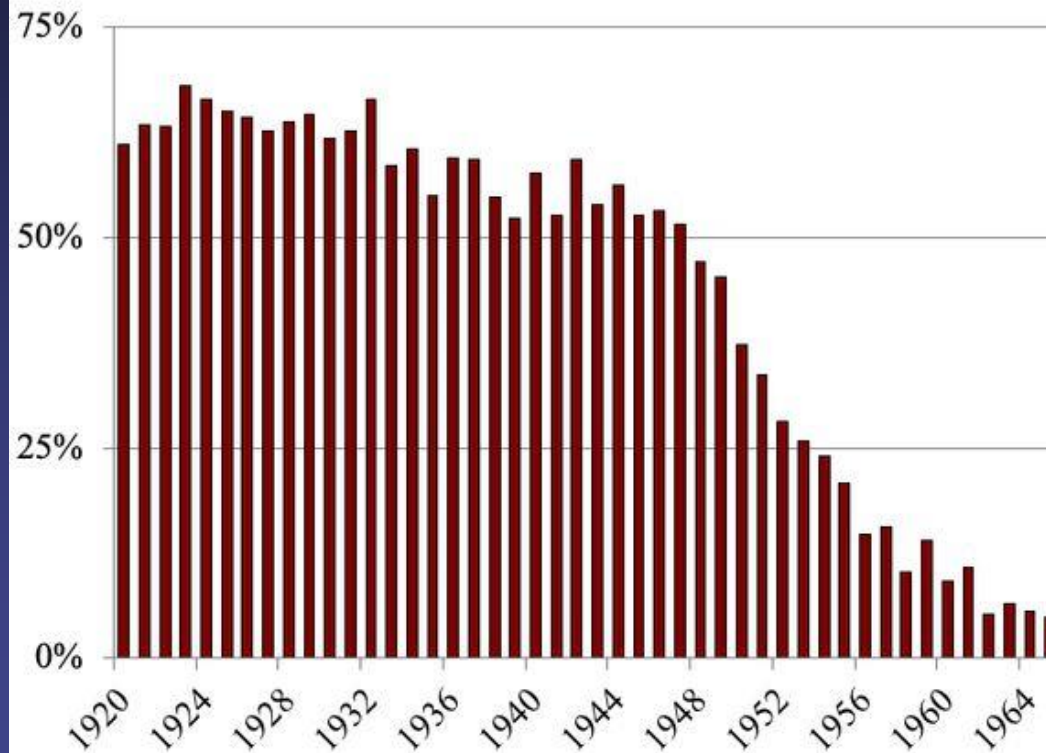


Source: LendingClub and Pymnts.com

Bloomberg

Fewer Households Receive a Pension

Figure 1. *Share of Households with a Defined Benefit Plan, by Year of Birth*



Source: Robert L. Siliciano and Gal Wettstein. 2021. "Can the Drawdown Patterns of Earlier Cohorts Help Predict Boomers' Behavior?" Working Paper 2021-11. Center for Retirement Research at Boston College.

Financial Benefits of Working

- Any work, any amount of pay for an additional year or more could make a big difference down the road
 1. Create positive cashflow
 2. Postpone tapping your nest egg (or tap less of it) so it can keep growing
 3. If not taken yet, Soc. Sec. benefits should be larger
 4. Fewer years until you die...so your money will not need to last as long
-

Keep Working

- A study of 83,000 adults over 15 years found that people who worked past age 65 were about 3X as likely to report being in good health and about half as likely to have serious health problems such as cancer or heart disease
 - One retiree said, “If you don’t work, you shorten your lifespan. You get old faster.”
-

Regrets

➤ I just retired and I'm not enjoying it. I go to bed thinking I made a huge mistake taking retirement instead of returning to my job of 20 years. I miss my job. I miss everyone at work. I have no challenges to keep me busy. I don't know what I was thinking when I chose to retire. I want my job back.

-- Laura, from comments on www.retirement-online.com

Phased Retirement and Returning to Work

- ~23% companies offer phased retirement
 - Just 16% in 2016
- Aerospace Corporation – “Retiree Casual” program allows any retiree to return to work PT and also mentor younger employees
- Scripps Health – Allows employees with 20+ years of service to phase into retirement over 1 year and keep full benefits

Continued

- CVS Health – “Talent is Ageless” program focuses on older job candidates or mature job candidates who are reentering the workforce or changing careers
- Pfizer – “Mentor Match” program (many other large companies, too)
- www.Encore.org
 - Brings different generations together to solve problems, bridge divides, and co-create the future

BMW Asked Their Older Employees:

- “What do you need most to extend your working lives?”
 - They said:
 - Flexibility/flextime
 - Modifying the workspace
 - Improving ergonomics
 - Providing educational opportunities
 - Providing caregiving leave
-

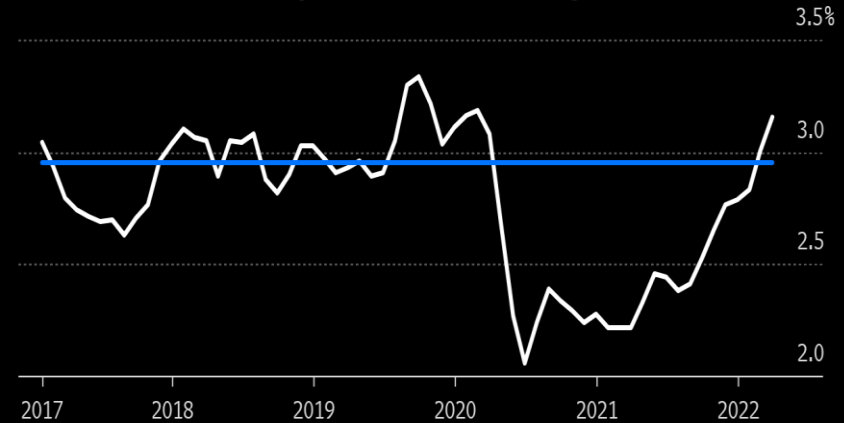
More People are Unretiring

- Improve their finances
- New career challenge
- Remote-work options
- Bored

Mean Reversion?

More retired people are reentering the workforce

↗ % of retired workers returning to work ↘ 2017-2019 average

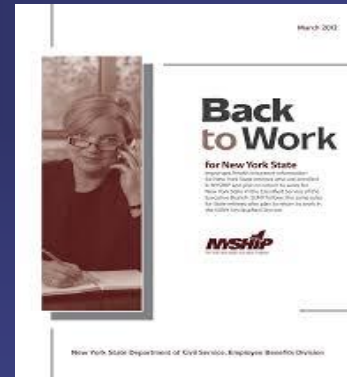


Source: Indeed analysis of Current Population Survey monthly microdata

Bloomberg

- www.RetirementJobs.com, www.UpWork.com,
www.Freelancer.com, www.Guru.com, www.Wahve.com
 - For older individuals to find work
 - For employers to find talent

Returning to Work



amazon
March 17th, 2022 | 1:00 PM ET

RETURNSHIP INFORMATION SESSION
Are you ready to restart your career and build the future?

Alex Mooney
Senior Manager,
Alternative Pipelines

Alexandria Hobbs
Recruiter

Arathi Shankri
Technical Program
Manager II

Catherine Frellich
Program Manager,
Returner

Carol Fishman Cohen
CEO and Co-Founder

iRelaunch

iRelaunch
YOUR RETURN TO WORK EXPERTS®

LinkedIn Power Hour
Returnin Program

Software Engineers, with a career bias, will learn how to prepare and apply for the returnship program with LinkedIn.

Date: June 29th
Time: 12PM to 1PM PT
Location: Virtual

Join us!

LinkedIn **WBW**

Discover how to reenter the workforce,
increase your income, and maintain health benefits

Working After Retirement FOR DUMMIES

Lita Epstein, MBA
Financial Planning Consultant
Author of *Working After Retirement For Dummies*

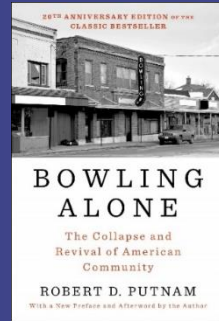
A Reference for the Rest of Us!

FREE at Dummies.com

SOCIAL CAPITAL / NETWORKS

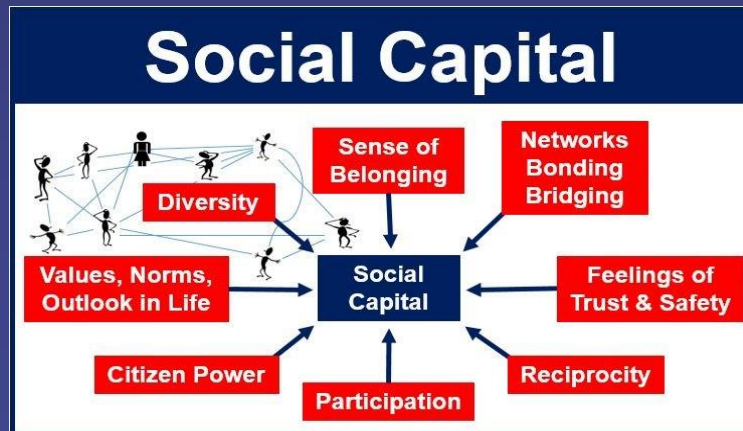


Social Capital



Published
in 2000

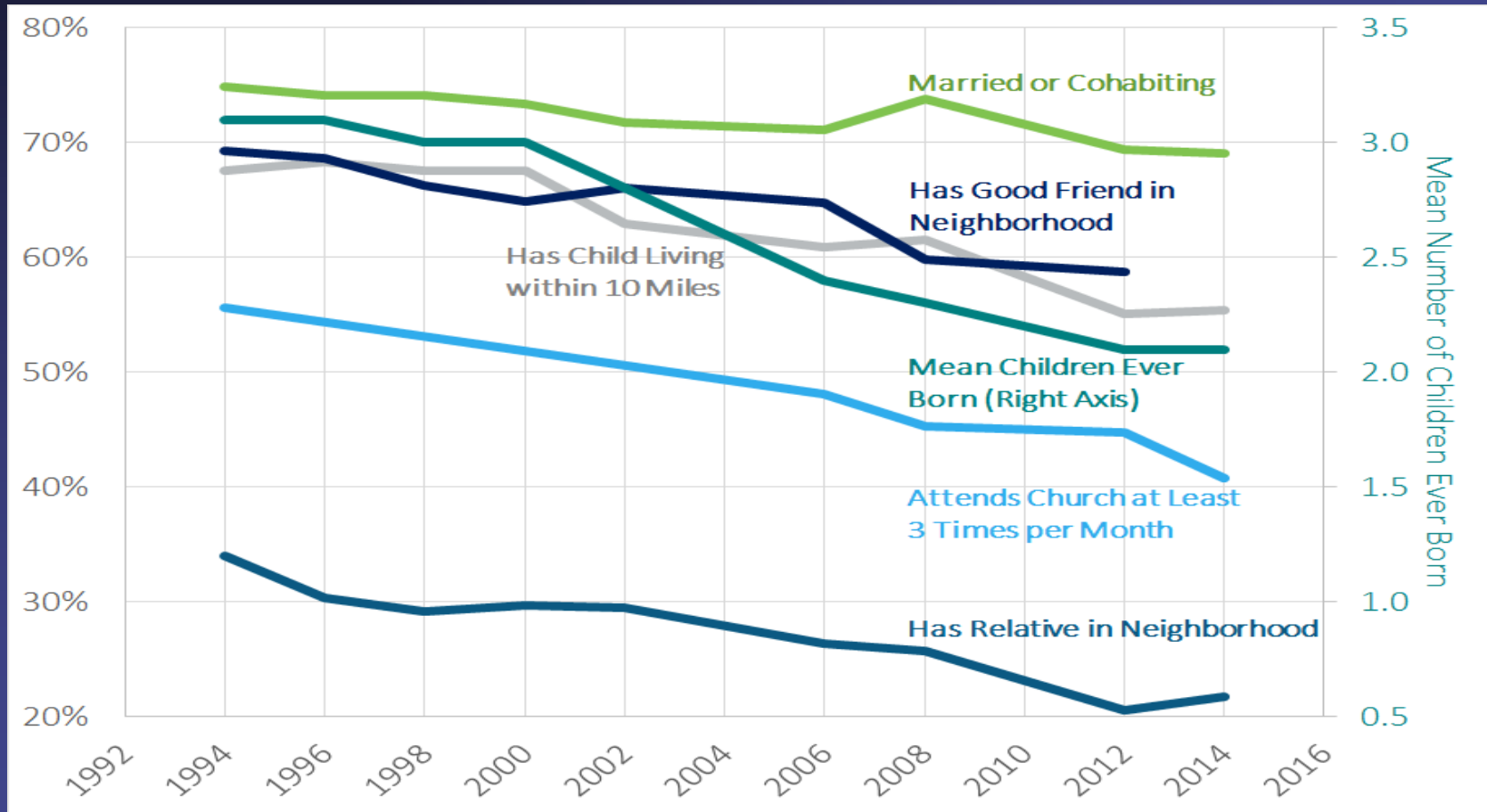
- Involves social trust, engaged citizenship and strong reciprocity
- Trust is critical for social capital formation
- There's been a big drop in social capital in contemporary America



Faith Communities

- “Faith communities in which people worship together are arguably the single most important repository of social capital in America...nearly half of all associational memberships in America are church related, half of all personal philanthropy is religious in character, and half of all volunteering occurs in a religious context.”

Social Support among Adults Ages 61-63, 1994-2014



“An Invisible Tsunami: Aging Alone and Its Effects on Older Americans, Families and Taxpayers”, January 2019 Social Capital Project

Friends...or the Lack Thereof

- Today, 40% of Americans say they don't have a best friend at all, up from 25% in 1990
- Regarding men, those without any close friends was 15% in 2021, up from 3% in 1990

Social Capital Has Waned; Loneliness May Be Increasing

- The decline in the availability of support from family, friends, neighbors and congregants among retiring adults will have implications for future retirees, caregivers and taxpayers
 - Loneliness may be linked to a greater risk of death, cognitive decline, heart disease and depression
-

DEPRESSION



Global Rise in Unhappiness

The Global Rise of Unhappiness

Anger, stress, sadness, physical pain and worry reach new global high.

— Negative Experience Index

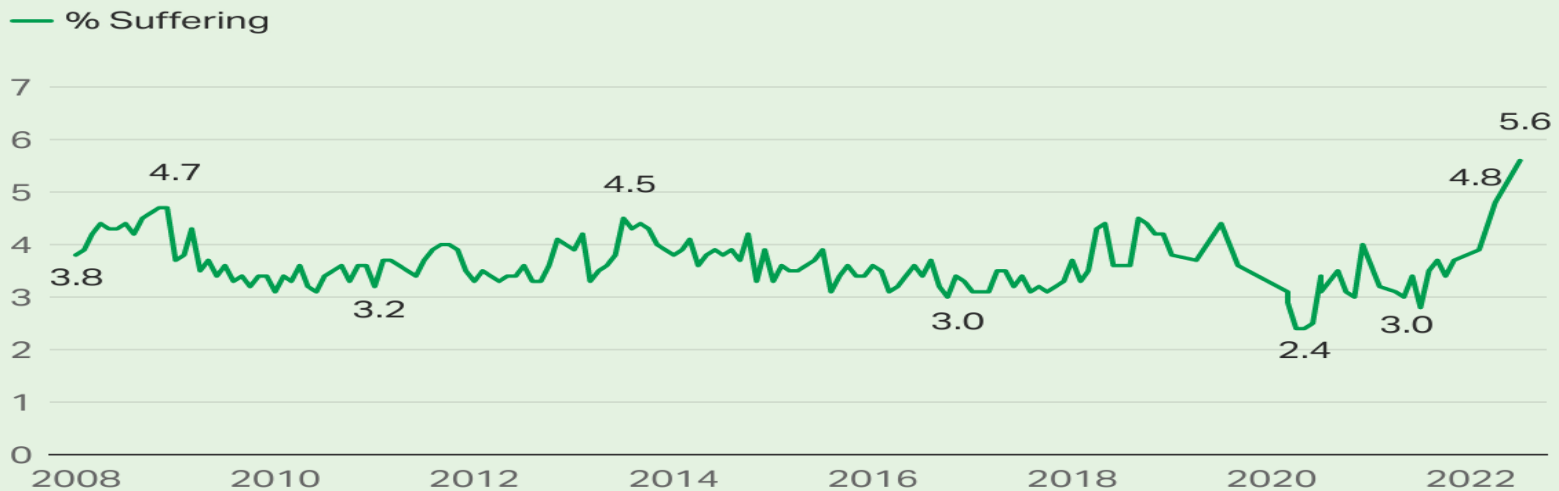


The Negative Experience Index is a composite measure of the five negative experiences (anger, stress, sadness, physical pain and worry). Index scores range from zero to 100.

Poor Life Rating Reaches Record High in U.S.

Question: Are you thriving, struggling or suffering?

Life Evaluations of U.S. Adults



Data from January 2008 to August 2019 and August 2020 are based on the Gallup National Health and Well-Being Index; data from September and October 2019 and from March 2020 to July 2022 (except August 2020) are from the Gallup Panel. Estimates between the GNHWBI and the Panel are proven to be highly convergent, allowing for mixed trending. A total of 164 measurement periods -- mostly monthly, some weekly -- are included in the trend line.

GALLUP®

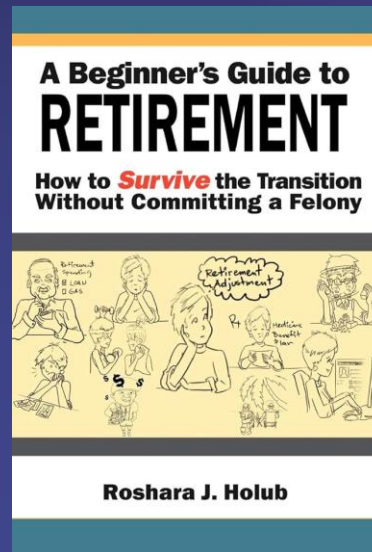
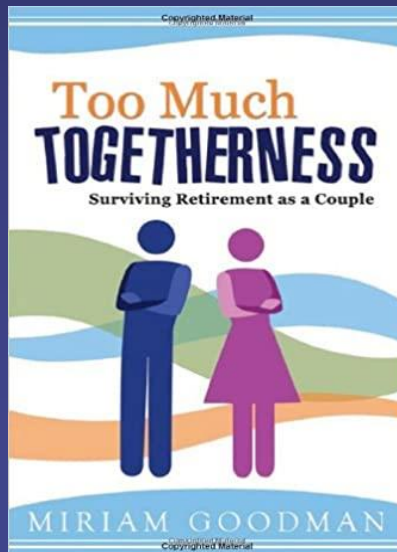
Depression



- Having enough money means you can retire, but it doesn't ensure a happy retirement
- A substantial amount of research has shown that loneliness, depression and feelings of isolation are common in retirement
 - Risk for depression increases 40% in retirement
- Create the connections you desire
 - ROMEIO group; SHED group
 - Google "bicycling club", "book club", etc.

3 Retirements: Yours, Mine, Ours

My husband is a retired businessman and is used to being in charge. My problem is that he likes to do almost everything with me. Prior to his retirement, I had my own work, space, schedule and rhythm. Now I am feeling a bit suffocated. Do you have any suggestions on how to help my husband understand my position? — H.G. (letter to the L.A. Daily News)



Henny
Youngman's
solution

Mike Drak's Mistakes

- Focusing only on the money and believing that the quality of my retirement depended on how much I had.
- Thinking retirement would be easy. It's not.
- Believing the retirement commercials of the financial services companies.
- Believing that retirement would make all of my problems magically go away.
- Not having something to retire to.
 - “Retiring to nothing is digging a premature grave.”

Mike Drak's Keys to Retirement Success

- Nurture strong relationships
- Foster good health
- Achieve financial independence
- Tap into your spirituality
- Find your tribes
- Make the most of your time
- Adopt the right attitude
- Discover your purpose
- Reignite your sense of adventure



Small Adventures

One of our clients was afraid of money, so they never allowed themselves to use it. They were anxious savers who regularly looked at their investments and wondered if they would have enough. The challenge for them was to get them to save less.

As we worked through the words that they would use to describe themselves, one of them said "adventurous." Well, to be adventurous, you may need to create some adventures. They started testing out experiences in small ways, and over the years that has matured into their description.

HEALTH, “WELLDERLY”



Fewer Large Companies Offer Retiree Health Benefits

➤ 1988: 66%

➤ 1998: 40%

➤ 2008: 29%

➤ 2018: 18%

Note: Large Companies = 200+ employees
Source: Kaiser Family Foundation

Things Have Changed

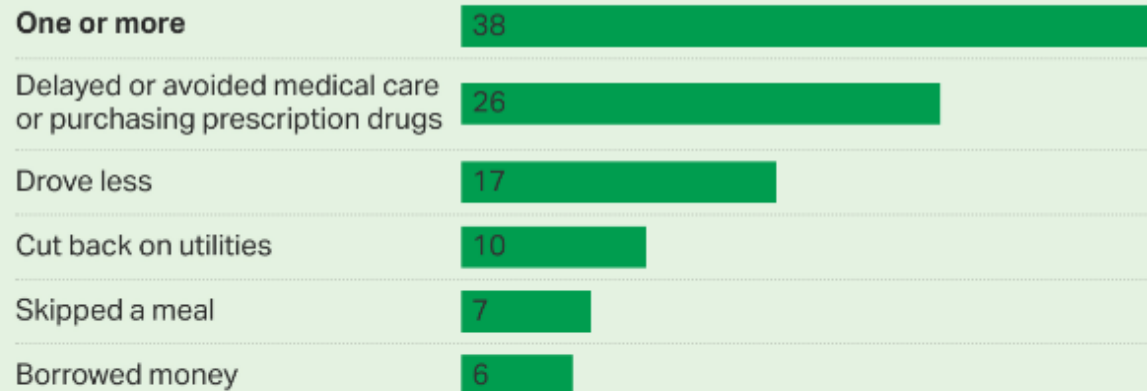
- Teladoc.com
 - MDLive.com
 - DoctorOnDemand.com
 - GrandRounds.com
 - Telemedicine (Medicare now reimburses doctors for virtual visits), wearable devices, diagnostic tests for home use (e.g., BP, weight)
-

Making Choices

Cutting Back on Household Spending Due to Rising Healthcare Prices

In the last six months, which of the following, if any, have you done because of higher healthcare prices in the United States? (Select all that apply.)

% Have taken these measures



June 2-16, 2022

WEST HEALTH/GALLUP

GALLUP

Good News and Bad News

- “Welllderly” - a term for people who enter old age in good condition

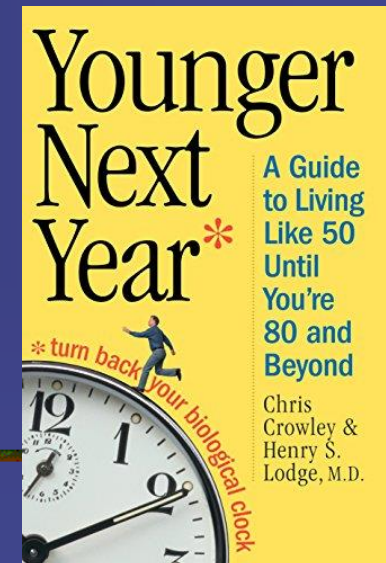


“Modern medicine makes it possible to extend a person’s lifespan for years. But simply extending lifespan is not enough, we want to extend healthspan.”

-- Ali Torkamani, Director of Genome Informatics at Scripps Research

Some Keys to Health and Longevity

- Diet
- A positive attitude
- Strong friendships
- Exercise



Exercise Programs for Older People

- Silver Sneakers
- FLEX program
- Fitness After 50
- Pickleball leagues
 - 5M people play pickleball



the Y FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

GET ACTIVE STAY AGELESS

Join us in our activities for senior members ranging from cardio to strength workouts!

Group Exercise	Tai Chi
Active Senior Aerobics (8-9am) Mondays, Wednesdays, Thursdays	Tuesdays & Thursdays (10-11am) Beginner Tues (11:30am-12:30pm)
Chair Aerobics (10-11am) Mondays, Wednesdays, Fridays	Aquatics Silver Splash (11am-12pm) Tuesdays, Thursdays
Cardio / Chair Aerobics Ab Strengthening, Stretching Tuesdays, Thursdays (9-9:40am)	Stretch/Strength Mondays, Wednesdays, Fridays (10-11am)
Pickle Ball Tuesdays (5:30-8:30pm) Saturdays (8:30-10:30am)	Fridays (5:30-6:30pm) <small>**FREE 1 hour coaching session on equipment safety and class details!</small>

WINTERVILLE SENIOR CENTER 100 S. STAGLON AVENUE WINTERVILLE, OR 97141
503.261.5462 P. 208.912.5114 www.youthcenter.org

GRAY DIVORCE

“Gray Divorce”

- Increased rate of divorce of those age 50+
 - Over the past 2 decades, divorces for baby boomers have doubled
 - During COVID:
 - Lawyers reported that interest in divorce increased 33%
 - There was a 34% increase in sales of basic divorce agreements from DIY websites
-

Economic Fallout

- Two households to support now, not one
 - Sale of a house (market good / bad?)
 - Splitting retirement accounts (market up / down?)
 - Estate planning
 - Caregiving options
 - Other
-

Social Fallout

- Friendships
 - Retirement activities
 - Competencies
 - Caregiving options
-

CAREGIVING



Caregivers, Like Those Being Cared For, Are Getting Older

- 53 million people in the U.S. provide unpaid care to those age 50+
 - 10 million caregivers are age 65 or older
- Dr. MaryJo Cleveland says when she started geriatrics in the early 1990s, her 75-year-old patients were being cared for by their 50-year-old daughters. “Now the 70-year-old daughter is caring for the 95-year-old mother,” she says.
 - Personal story

“Caregiving in the U.S. 2020”, Report by AARP and NAC, May 2020

“People Over 80 Are Still Taking Care of Their Parents and Partners” WSJ 2/9/22

Testimony

- “I just can’t take it...Elder care is so unpredictable...I’m more concerned right now that this is working me into such an early grave, that I won’t have enough life left to enjoy retirement. I *am* losing my health over this.”
 - Ellen Minor
- “You don’t know when you’re going to get phone calls and what is going to happen. I was convinced I was going to lose my job, maybe my marriage with the stress of it all...and certainly my sanity.”
 - Liz O’Donnell

Providing Care

- “At any point in time, few adult children are taking care of their parents. But over the course of their lives, 17% will end up providing care for their parents. And when children do care for parents, the commitment is large – 77 hours per month. Since boomers had fewer children per household than the previous generation, this will place an unprecedented burden on their children...”

“America is Running Out of Family Caregivers, Just When it Needs Them Most”

WSJ 7/20/18

Being an unpaid caregiver can take its toll on people both financially...

Caregivers' average annual spending on the care recipient

Household expenses

\$2,584

Medical expenses

\$1,722

Personal-care item expenses

\$961

Travel, education, legal and other expenses

\$830

Caregiver's personal expenses/respite*

\$587

...and on a personal level.

Percentage of unpaid caregivers who say they:

Don't have time to exercise

60%

Have difficulty sleeping

58%

Feel their physical health has suffered

55%

Have no time for own medical appointments

54%

Have feelings of depression

47%

Put health of care receiver before their own

42%

Family relationship negatively affected

21%

*Aides, adult day services, self-care, other paid help and other expenses

Sources: AARP (expenses); Embracing Carers International Survey (personal toll)

“America is Running Out of Family Caregivers, Just When it Needs Them Most”

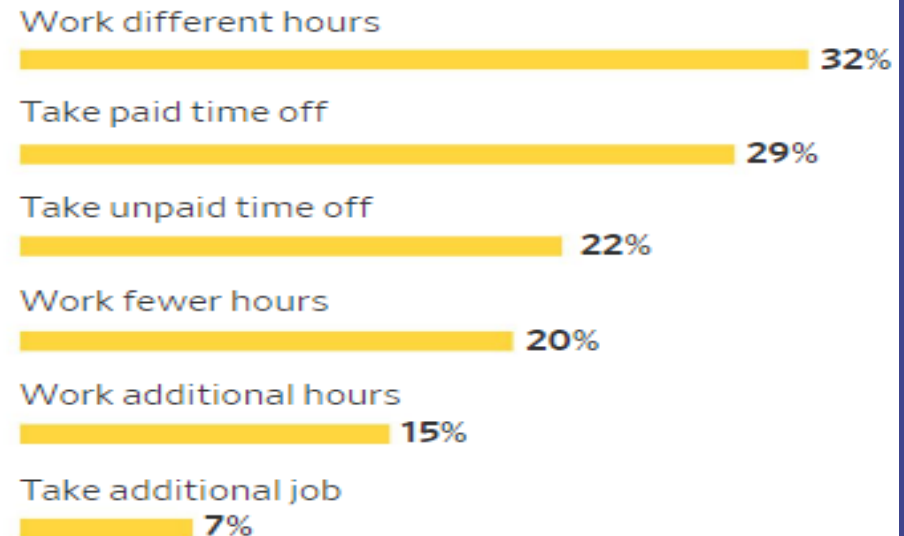
WSJ 7/20/18

Taking on the role of caregiver comes with numerous challenges, both in personal and work lives.

The biggest challenges of caregiving, 2017*



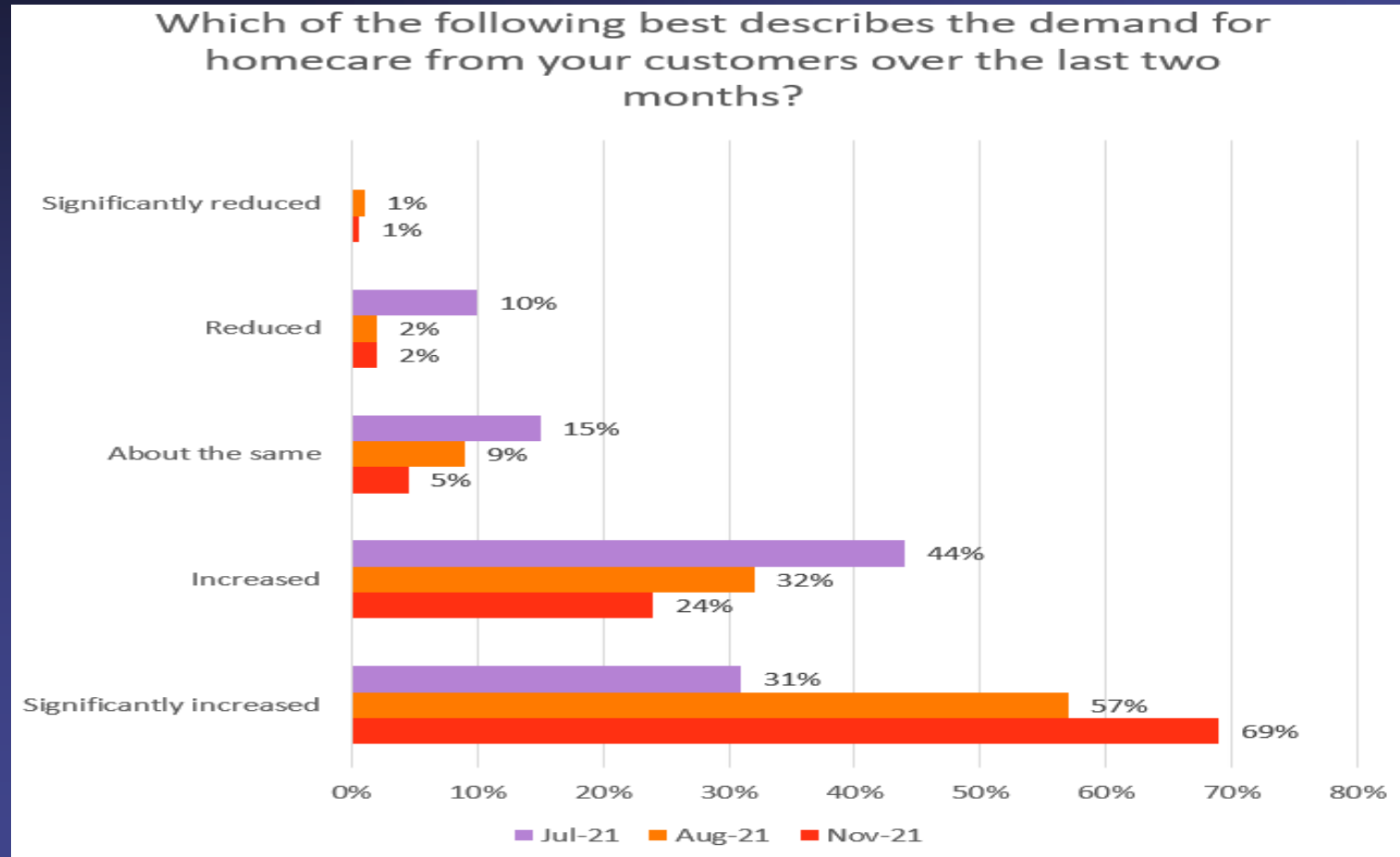
Employed family caregivers experiencing the following work-related strains, 2016†



* Respondents were asked to identify their three biggest challenges. † More than one answer was allowed.

Sources: Merrill Lynch/Age Wave study (biggest challenges); AARP (work strains)

Demand is Increasing for Paid Help



Source: HomeCare Association

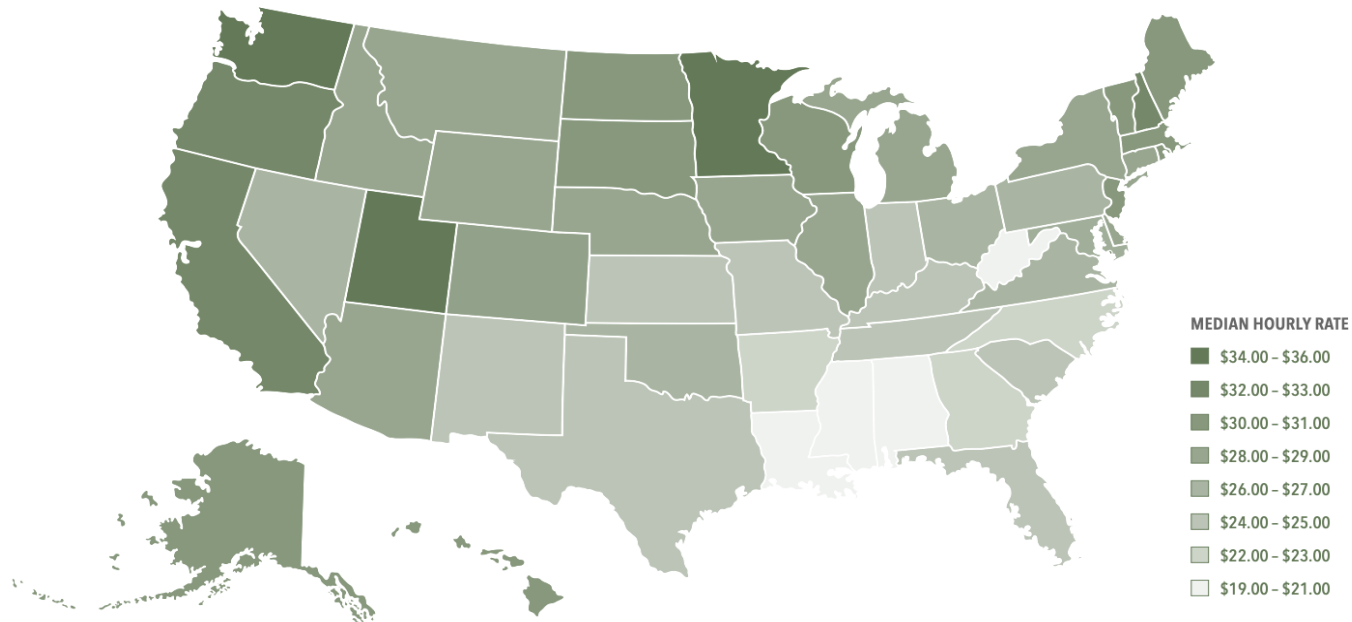
Paying for Care

- If those needing care lack family, friends and other social relationships, they – or loved ones – may need to pay for professional care, which is not cheap
 - “No one really prepares for caring for an older adult. When you do, you don’t really think about the financial aspect of it.”
 - Bob Stephen, Vice President, AARP
-

What Does Care Cost?

Genworth Cost of Care Survey 2021

Home Health Aide Median



FINANCIAL RISKS



Questions

- “What one stock can I buy that will make me \$50,000 richer?” USA Today 3/28/12
- “I have \$20,000 and would like to retire next year at age 65. What investment can I buy to make that happen?” USA Today 3/27/09



Financial Risks in Retirement

- Market Risk
 - Inflation Risk
 - Tax Risk
 - Health risk
 - Longevity risk
 - Sequence of Return Risk
-

When withdrawing funds, sequence of returns matter.

Year	Down-then-Up Scenario			Up-then-Down Scenario		
	Return	Annual Income	Nest Egg Remaining	Return	Annual Income	Nest Egg Remaining
0			1,000,000			1,000,000
1	-5%	40,000	912,000	15%	40,000	1,104,000
2	-5%	40,000	828,400	15%	40,000	1,223,600
3	-5%	40,000	748,980	15%	40,000	1,361,140
4	-5%	40,000	673,531	15%	40,000	1,519,311
5	-5%	40,000	601,854	15%	40,000	1,701,208
6	-5%	40,000	533,762	15%	40,000	1,910,389
7	-5%	40,000	469,074	15%	40,000	2,150,947
8	-5%	40,000	407,620	15%	40,000	2,427,589
9	-5%	40,000	349,239	15%	40,000	2,745,728
10	-5%	40,000	293,777	15%	40,000	3,111,587
11	15%	40,000	291,844	-5%	40,000	2,918,007
12	15%	40,000	289,620	-5%	40,000	2,734,107
13	15%	40,000	287,063	-5%	40,000	2,559,402
14	15%	40,000	284,123	-5%	40,000	2,393,432
15	15%	40,000	280,741	-5%	40,000	2,235,760
16	15%	40,000	276,852	-5%	40,000	2,085,972
17	15%	40,000	272,380	-5%	40,000	1,943,673
18	15%	40,000	267,237	-5%	40,000	1,808,490
19	15%	40,000	261,322	-5%	40,000	1,680,065
20	15%	40,000	254,521	-5%	40,000	1,558,062
Average	5%	40,000		5%	40,000	

These results are hypothetical in nature and do not represent any specific investment. Your actual results will vary. Investing involves market risk including potential loss of principal.

Reduce the Impact of Bad Return Sequence

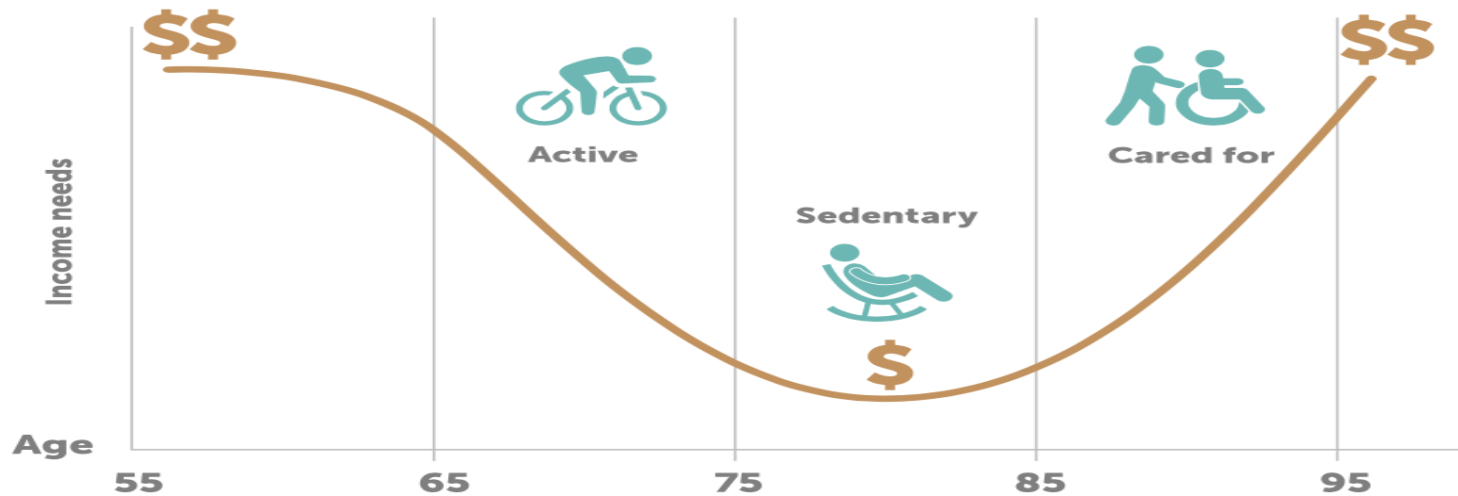
- Reduce withdrawals
- Cut monthly expenses
- Work part-time (or more)
- Delay taking Social Security
- Consider an annuity
- Consider a reverse mortgage
- A combination of the above
- Other?

None of the above should be viewed as a recommendation.

Spending Often Increases in Retirement

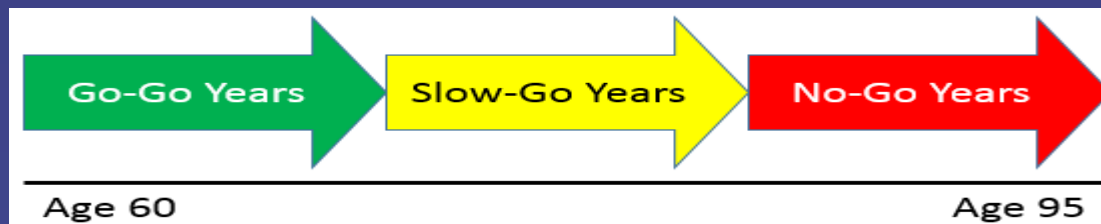
- Percentage of households whose spending increased in the years following retirement:
 - 46% in the 1st - 2nd Years
 - 42% in the 3rd - 4th Years
 - 33% in the 5th - 6th Years

Retirement Spending “Smile”



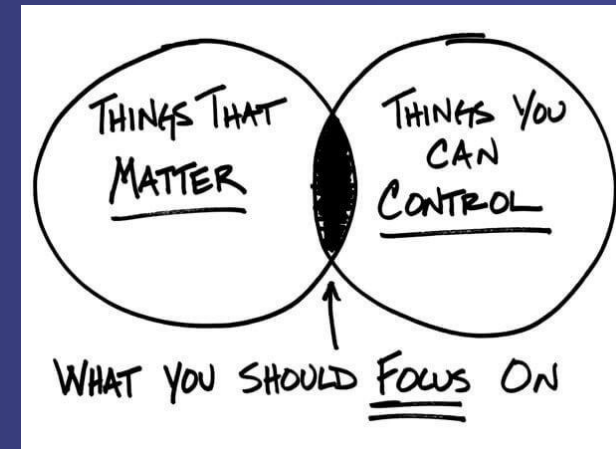
The retirement “smile”

Income needs change in retirement. For some, the more active early years of retirement require more income to fund travel, hobbies and home improvements, while the middle years become more routine and may require less. Later, depending on your health, you may need to budget for higher healthcare costs.



What Can You Actually Control?

- Total Control
 - Saving vs. Spending
 - Asset allocation, diversification
- Some Control
 - Employment duration, earnings
 - Longevity
- Out of Your Control
 - Market returns
 - Tax rates, tax policy, inflation



Source: The Behavior Gap
by Carl Richards

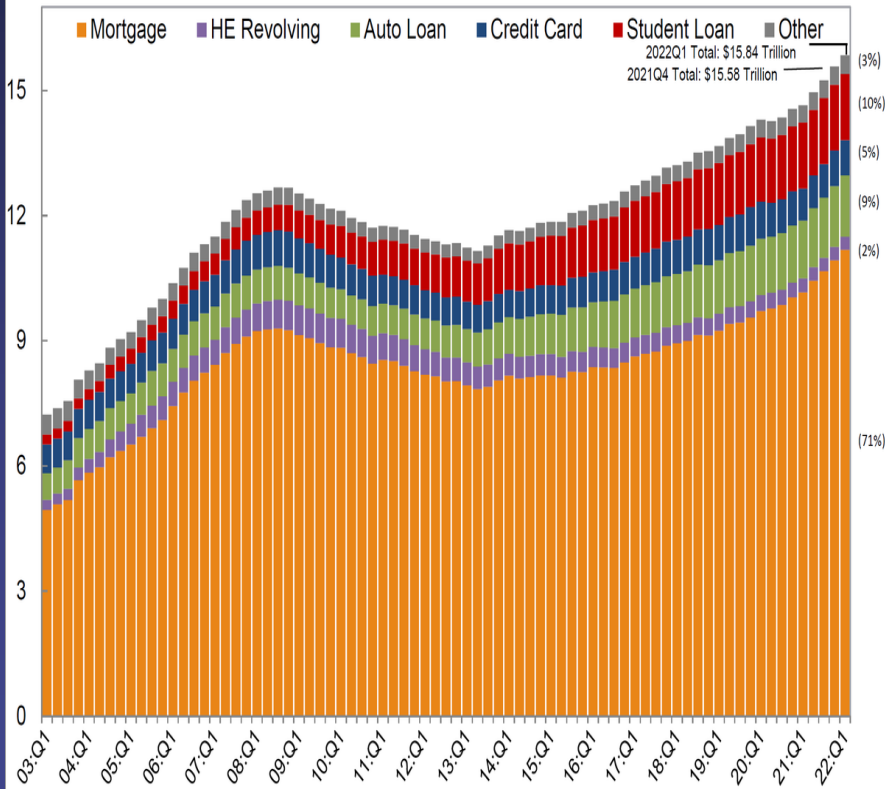
DEBT AND BANKRUPTCY



Household Debt

USA. Total Debt Balance and its Composition

Trillions of Dollars Total household debt. 1st quarter 2003 to 1st quarter 2022.

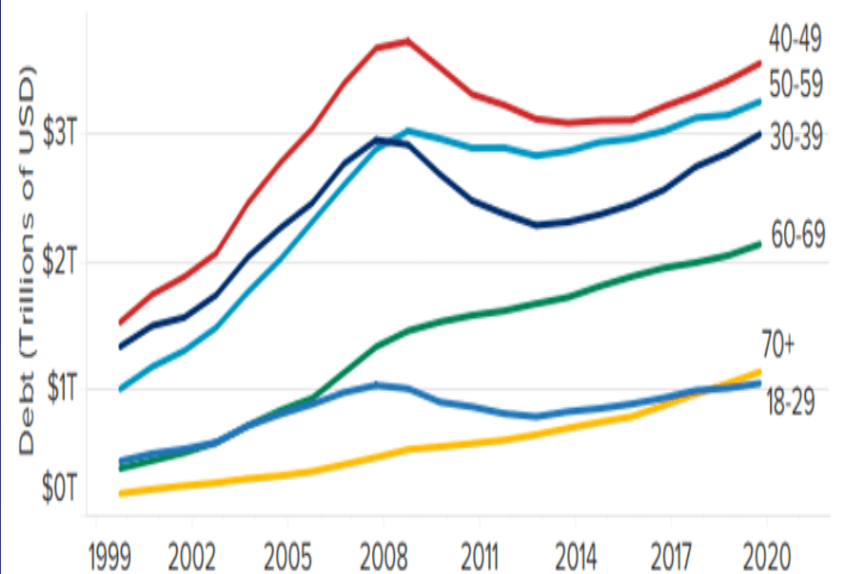


Source: New York Fed Consumer Credit Panel/Equifax

HE Revolving = Home equity revolving line of credit.

Debt among older Americans on the rise

Debt balance by age bracket. By percent change since Q4 1999, debt for those 60-69 years old (+471%) and 70 and older (+543%) has increased the most.



SOURCE: Federal Reserve Bank of New York analysis, using data from the New York Fed Consumer Credit Panel and Equifax. Values shown are for Q4 in each year.



Headline

- “Caring for Older Relatives is So Expensive that Even AARP’s Expert Filed for Bankruptcy” Wall Street Journal 2/20/22
- Amy Goyer’s Mom had a stroke at 63 and her Dad developed Alzheimer’s disease
 - She spent \$10,000/month over the last 2 years of his life



DEMENTIA AND ALZHEIMER'S

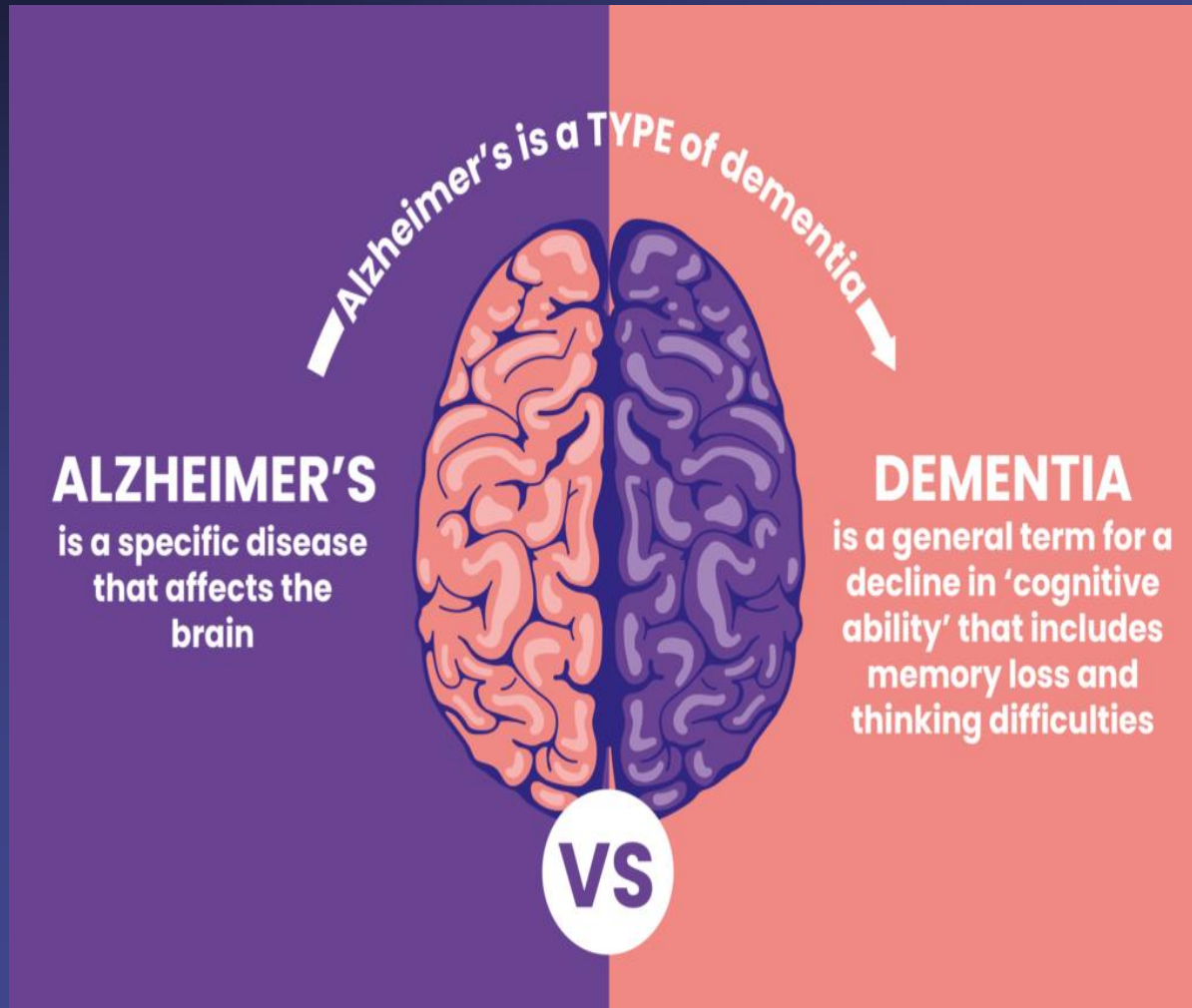


Dementia is a General Term;

Indications of Dementia:

- Memory loss disrupts daily life
- Issues planning or solving problems
- Difficulty performing familiar tasks
- Confusion about time or place
- Trouble with visual cues and spatial relationships
- Problems choosing words/choosing the right word
- Decreased or poor judgment
- Withdrawal
- Changes in mood and/or personality (paranoia, irritability, fearfulness)

Alzheimer's: A Type of Dementia



Alzheimer's Disease

➤ 6.5M Americans have it

➤ Age 65-74: 5.0%

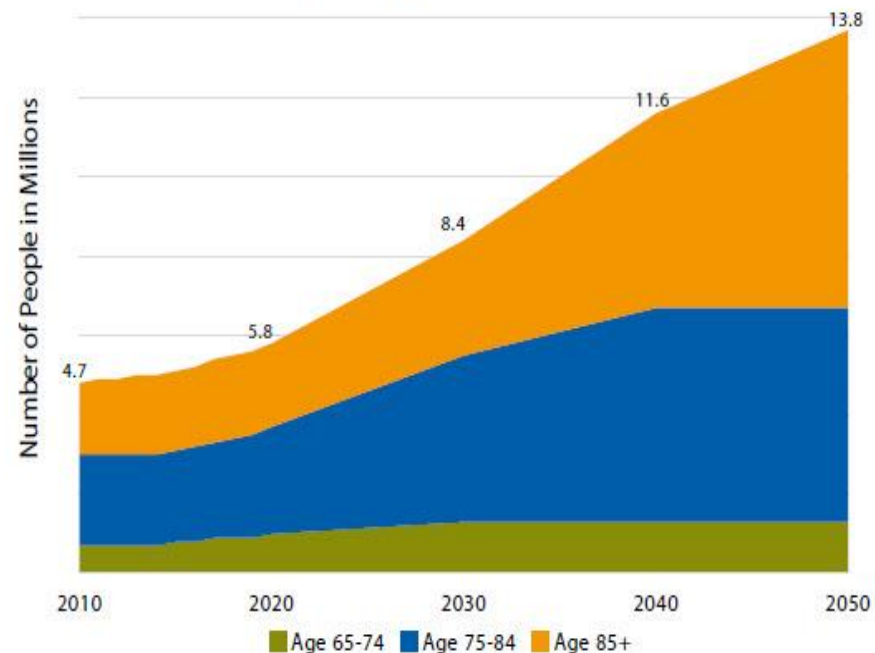
➤ Age 75-84: 13.1%

➤ Age 85+: 33.2%

➤ In 2025: ~7.1M

➤ In 2050: ~13.8M

Projected Number of People Aged 65 or Older With Alzheimer's Disease, by Age Group, United States, 2010–2050



Source: Created from data in Hebert LE, Weuve J, Scherr PA, Evans DA. Alzheimer disease in the United States (2010–2050) estimated using the 2010 Census. *Neurology*. 2013;80(19):1778–1783.

Interesting Finding

- A study of 20,000 Americans ages 55-75 found that postponing retirement until at least age 67 resulted in a one-third reduction in cognitive decline compared with those who retired between the ages of 61-67

POA, WILL, BENEFICIARIES, HCD, ETHICAL WILL

Important Documents



- Power of Attorney
- Will
- Account Beneficiaries
- Health Care Directive

Tell someone where these documents are!

Tragic Stories

Karen Ann Quinlan (1975)

Died 1985



Nancy Cruzan (1983)

Died 1990



Teri Schiavo (1990)

Died 2005



What is an Ethical Will?

- An ethical will outlines a person's hopes, dreams, life lessons, values, memories, etc.
 - It is not a legal document
 - It can be in the form of a letter or a video
 - It may be treasured by your loved ones
-

It Can Also...

- Fill in knowledge gaps by providing historic or ancestral information that links generations
 - Convey feelings, thoughts, and truths that may be difficult to say face-to-face
 - Open the door to forgiving and being forgiven
 - Help loved ones with closure
-

Common Themes

➤ Past

- Meaningful personal or family stories, lessons learned

➤ Present

- Personal values and beliefs, expressions of love and gratitude, apologies

➤ Future

- Blessings, dreams, hopes, advice, guidance, requests
-

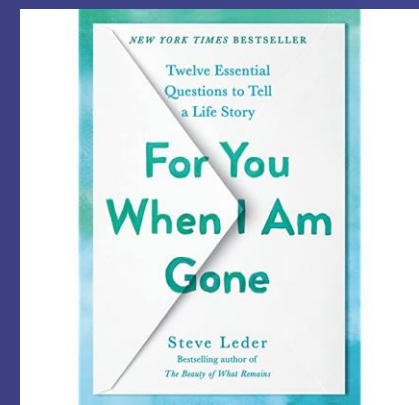
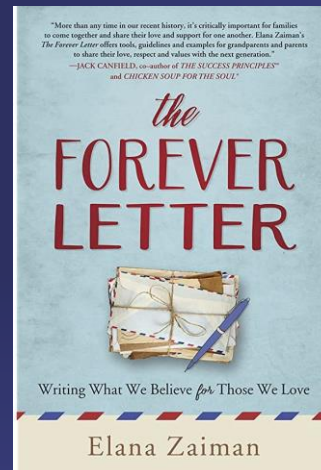
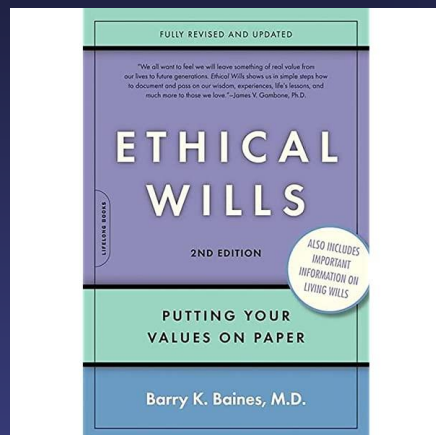
Ideas to Prompt Your Ethical Will

- From my parents or grandparents, I learned ____
- One thing I admired about my parents was ____
- I am most grateful for ____
- One good piece of advice I received was ____
- What is one thing I have left unsaid?
- What do I want to make sure my loved ones know about me?
- Who were the three most influential people during my childhood?
- What makes me happy?
- What holiday is important to me and why?
- What were some of the life-changing events in my life?
- What are two or three accomplishments that I am most proud of?
- How has my definition of success changed?

Continued

- How did growing up in my hometown influence how I turned out?
 - What were some of the biggest challenges I faced?
 - What do I most appreciate about having money and why?
 - What are my greatest fears or regrets about money and why?
 - What do I want my heirs to accomplish with their inherited wealth?
 - What are my concerns regarding the transferring of my wealth?
 - What do I really cherish and love about my life?
 - What is one thing my children don't know about me but should?
 - What is the most important piece of advice I can give to my children? Grandchildren?
 - What legacy would I like to leave to my community?
-

Ethical Will Books and Articles



- www.aarp.org/caregiving/financial-legal/info-2018/ethical-will.html
- www.trustlaw.com/writing-an-ethical-will-bequeathing-who-you-are-and-what-you-sta.html

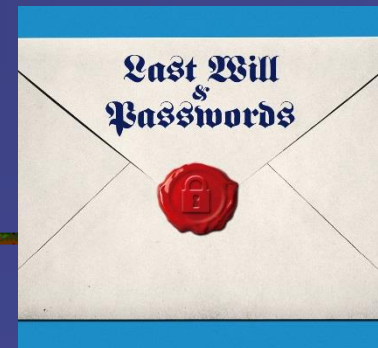
Where Are the Documents?

- Get copies to all interested parties
- Get a copy of your Health Care Directive placed into your medical records
- What does your financial institution require for a valid POA?



Digital Accounts

- Create a comprehensive list of your digital accounts, online assets, “cloud accounts” (e.g., email, social media, photos, genealogies, videos, etc.)
- Store in a safe deposit box, password manager, with a trusted person / attorney / future executor



Top 5 Regrets of the Dying

by Bronnie Ware

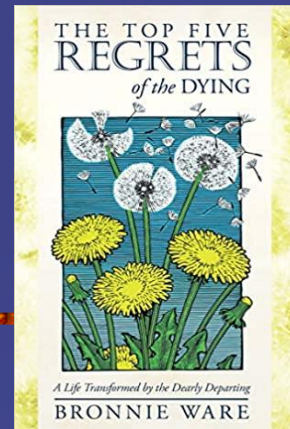
“I wish I'd had the courage to live a life true to myself, not the life others expected of me.”

“I wish I hadn't worked so hard.”

“I wish I'd had the courage to express my feelings.”

“I wish I'd stayed in touch with my friends.”

“I wish that I had let myself be happier.”



RESOURCES



Books

- What Retirees Want: A Holistic View of Life's Third Age
 - By Ken Dychtwald and Robert Morrison
 - Retirement Game-Changers: Strategies for a Healthy, Financially Secure, and Fulfilling Long Life
 - by Steve Vernon
 - Your Complete Guide to a Successful and Secure Retirement
 - by Larry Swedroe and Kevin Grogan
-

Books

- Retirement Heaven or Hell: Which Will You Choose?
 - By Mike Drak
 - Serious About Retiring
 - By Mark Fischer
 - Essential Retirement Planning for Solo Agers: A Retirement and Aging Roadmap for Single and Childless Adults
 - By Sara Geber
-

On the Web

- www.GlobalCoalitionOnAging.com
- www.LifePlanningForYou.com
- www.AARP.org/about-aarp/life-reimagined
- www.Caregiving.org
- “One Family’s Lessons Learned from a Decade of Caregiving”
 - Wall Street Journal 6/14/21
- www.SecondWindMovement.com
 - Look for 19 Tips for an Amazing Life After Retirement

Thank You!

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