



## Press Release

Contact:

George Millington  
Walt & Company  
(408) 496-0900  
[NRPC@walt.com](mailto:NRPC@walt.com)  
[www.walt.com](http://www.walt.com)

### **FOR IMMEDIATE RELEASE**

## **BEN STEIN'S MESSAGE TO AMERICA: THINK ABOUT THE "RETIREMENT PLANNING PENDULUM" DURING NATIONAL RETIREMENT PLANNING WEEK 2006**

### *Easy-to-Understand "Retirement Planning Pendulum" Concept Illustrates the Importance of Both Saving For and Spending During Retirement Years*

**Washington, D.C., Nov. 13, 2006** — Football has a first and a second half; golf has a front and a back nine; and retirement has a "savings" and a "spending" phase. And, according to Ben Stein, honorary chairperson of National Retirement Planning Week 2006, which kicks-off today, Americans who only focus on retirement savings may be in for a rude awakening.

For many Americans, retirement planning focuses solely on setting aside money now to be spent later. While this is indeed a critical part of most retirement plans, people approaching retirement – particularly the 78 million baby boomers – also need to plan for the other equally important aspect of retirement: retirement spending.

To illustrate this point, Stein encourages Americans to think of retirement as a pendulum. Over the course of our lives, this "retirement planning pendulum" will swing from the beginning of our working years on through retirement: from the retirement savings phase through the retirement spending phase. With many Americans living longer and spending 20 years or more in retirement, only a balanced retirement plan will ensure that they will not outlive their savings.

"Wouldn't it be nice if simply cutting back on the number of lattes each week would ensure that you can retire on your terms? Sadly, it's not that simple," said Stein. "It is equally important to understand how you will spend your money in retirement – from medical costs to travel expenses, and everything in between. After all, if you don't determine how you will spend your retirement money, how can you possibly know how much to save? Without placing equal weight on both sides of the issue, the pendulum can quickly turn into a wrecking ball."

-more-

To help Americans address both sides of the retirement planning pendulum, Stein offers the following retirement savings and spending suggestions:

<u>Retirement Savings Guidelines</u>	<u>Retirement Spending Guidelines</u>
<p><u>Set retirement goals.</u> Consider when you hope to retire and how many years you expect to spend in retirement. Also, envision your desired retirement lifestyle. Do you want to travel? Will you try new hobbies? As you set goals, keep in mind that many of today’s retirees are living longer, more active lives.</p>	<p><u>Determine basic retirement expenses.</u> Figure out what you expect to spend on housing, healthcare, food, and other basic needs. With more than 60 percent of people 65 and older expected to require some form of long-term care<sup>1</sup>, be sure you factor this into your calculations.</p>
<p><u>Don’t forget inflation.</u> A trip to Tahiti will cost more in 20 years than it does today, so make sure you account for inflation given your expected retirement date.</p>	<p><u>Expect spending fluctuations.</u> You will likely be healthier and more active in your early retirement years than in later years. So, your retirement spending will have to fluctuate accordingly.</p>
<p><u>Develop a savings plan.</u> Aim to shift some discretionary spending into retirement savings. Discretionary items to consider cutting back on include dining out, vacations and entertainment.</p>	<p><u>Develop a spending plan.</u> Think in terms of retirement income. Make sure you have guaranteed income to help cover retirement costs for as long as you live; Social Security and pensions can no longer be relied upon exclusively to provide this income.</p>
<p><u>Maximize tax-advantaged savings vehicles.</u> Tax-deferred and tax-deductible vehicles, such 401(k)/403(b) plans, Keogh plans, IRAs, and annuities can help you grow your savings. Be sure to diversify your assets based on your risk tolerance and expected retirement date.</p>	<p><u>First things first.</u> Be sure set aside your guaranteed retirement income to cover core expenses, including food, healthcare and housing. Additional savings and investments can be spent on discretionary items and activities.</p>
<p><u>Get help.</u> Retirement planning can be tricky for many people – particularly calculating the impact of inflation and managing your investments. So, you may need the help of a qualified financial advisor.</p>	<p><u>Revisit your plan each year.</u> Your retirement spending needs may change as you get older, so it is a good idea to regularly re-evaluate your retirement plan, with a financial advisor if necessary, and make any adjustments.</p>

“Retirement security requires planning, diligence and goal setting,” continued Stein. “Above all, it’s critical that your retirement plan will generate enough income to meet all of you retirement spending needs for as long as you live in retirement, which can be 20 years, 30 years or more.”

Established by the National Retirement Planning Coalition (NRPC) in 2002, National Retirement Planning Week is an annual campaign to heighten public awareness of the need for

individual retirement planning. The NRPC’s honorary chairperson again this year is author, economist, and actor/Hollywood personality, Ben Stein.

During National Retirement Planning Week, the NRPC and its member organizations will host a number of educational initiatives to help Americans achieve retirement readiness, including a national television, radio and print media campaign, and offer new retirement planning information and resources. More information about the NRPC and National Retirement Planning Week 2006 is available at: [www.RetireOnYourTerms.org](http://www.RetireOnYourTerms.org).

### **About The NRPC**

The National Retirement Planning Coalition brings together twelve leading financial industry and advocacy organizations for the purpose of educating consumers and financial industry professionals on the issues surrounding retirement planning. NRPC members include the Actuarial Foundation, the American Council of Life Insurers (ACLI), the American Savings Education Council (ASEC), the Center for Retirement Research at Boston College, the Financial Planning Association (FPA), For Our Grandchildren – A Social Security Education Project, the International Foundation for Retirement Education (InFRE), LIMRA International, the National Alliance for Caregiving (NAC), the National Association for Variable Annuities (NAVA), the National Preretirement Education Association (NPEA), and the Women’s Institute for a Secure Retirement (WISER).

###

---

<sup>1</sup> MetLife Mature Market Survey, 2000