

Investment Education for Elderly People



Optimizing Americans' Retirement Decision-Making

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Partnering for Financial Well-Being

A Looming Crisis:

America faces a **national crisis** brought on by some 50 million At-Risk Middle American households, many of which have neither the assets, preparation, support systems, nor protections to finance retirement years.



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decumulation.org
Understanding Your Retirement Paycheck

Rethinking Retirement

2006: NEFE hosts Roundtable gathering of retirement experts and thought leaders

2007: NEFE commissions comprehensive research survey of academic literature conducted by Center for Retirement Research at Boston College

2007: NEFE convenes 20 national retirement experts from diverse backgrounds for Retirement Income Decumulation Think Tank

2008: NEFE refines and compiles messages with expanded review group

2009: NEFE publishes white paper and launches decumulation.org



What is decumulation.org?

A comprehensive web site dedicated to optimizing choices and decisions for a population that is:

- Underserved
- Under-saved
- Unprepared
- Uninformed or Misinformed



8 Decision Zones



decumulation.org
Understanding Your Retirement Paycheck

Who We Are

What is my retirement paycheck?

Welcome to decumulation.org, a site dedicated to help you optimize your retirement paycheck by making wise decisions, and brought to you by the National Endowment for Financial Education (NEFE).

NEFE is a national nonprofit foundation working to improve the financial well-being of all Americans.

Work <ul style="list-style-type: none">• How long should I continue working?• Should I consider phased retirement or part time work? More...	Social Security <ul style="list-style-type: none">• When should I start collecting Social Security?• How much will I receive in monthly payments? More...	Home & Mortgage <ul style="list-style-type: none">• How do I best use the value of my house?• Should I consider a reverse mortgage? More...	Insurance <ul style="list-style-type: none">• How can I pay for medical care into my old age?• What will my costs be under Medicare? More...
Pensions <ul style="list-style-type: none">• How do I manage my savings and other assets?• Is early retirement a good option for me? More...	Retirement Plans <ul style="list-style-type: none">• How do I manage my savings and other assets?• What kind of investments should I keep when I retire? More...	Debt <ul style="list-style-type: none">• Can I pay off my credit cards and other debts?• Can I afford to take on new debt as I approach retirement? More...	Fraud <ul style="list-style-type: none">• How do I avoid scams?• How do I know if an offer is too good to be true? More...

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1. Work
2. Social Security
3. Home and Mortgage
4. Insurance
5. Pensions
6. Retirement Plans
7. Debt
8. Fraud



Income Producers and Reducers

Producers: Playing Offense

- Housing
- Working
- Social Security
- Assets: savings/retirement funds
- Insurance Products

Reducers: Playing Defense

- Debt/Liabilities
- Healthcare
- Fraud



What's at Stake?



- Large population of at-risk middle Americans with household pre-retirement income between \$30,000 and \$100,000:
 - ✓ Typically does NOT seek out expert advice and guidance of professional financial planners
 - ✓ May not have the assets, preparation, support systems, nor protections to finance retirement years
- Looming national retirement income decumulation crisis



A Necessary Paradigm Shift

- Early retirement has traditionally been viewed as a symbol of financial success
- Early retirement has also been viewed as “not ever working again”
- For this population to adequately prepare and optimize for their retirement, the notion of retirement needs to be repositioned
- By embracing a new way of looking at retirement, behavioral change can take place



10 Truths That At-Risk Middle America Must Believe

1. Many Americans at risk of catastrophic personal financial crisis
2. Responsibility of every American to know financial situation
3. Important to get objective retirement advice from qualified financial planner
4. Need to have a retirement paycheck
5. Need to work as long as able
6. Taking Social Security too early means less money
7. Need to know how to pay for medical and long-term care needs
8. Annuities can provide dependable source of income
9. Important to pay off consumer and credit card debt before retirement
10. Spending 401 (k) savings before retirement has negative impact



Accumulation & Decumulation

- Although NEFE focuses on retirement paychecks and the decumulation process, but:
- There is still a problem with accumulation and inadequate retirement savings.
- Both accumulation and decumulation need to be linked to effectively address the retirement crisis through public awareness; financial education in schools, workplace, and community organizations; and behavioral economics.



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