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# The Need for Retirement Planning

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For much of the 20th century, retirement in America was traditionally defined in terms of its relationship to participation in the active work force. An individual would work full-time until a certain age, and then leave employment to spend a few years quietly rocking on the front porch. Declining health often made retirement short and unpleasant. Retirement planning, as such, typically focused on saving enough to guarantee minimal survival for a relatively brief period of time.



More recently, however, many individuals are beginning to recognize that for a number of reasons, this traditional view of retirement is no longer accurate. Some individuals, for example, are voluntarily choosing to retire early, in their 40s or 50s. Others, because they enjoy working, choose to remain employed well past the traditional retirement age of 65. And, many retirees do more than just rock on the front porch. Retirement is now often defined by activities such as travel, returning to school, volunteer work, or the pursuit of favorite hobbies or sports.

This changed face of retirement, however, with all of its possibilities, does not happen automatically. Many of the issues associated with retirement, such as ill health, and the need to provide income, still exist. With proper planning, however, these needs can be met.

## Longer Lives

The single most important factor in this changed retirement picture is the fact that we now live much longer than before. A child born in 1940, for example, had an average life expectancy of 62.9 years. For a child born in 2010, however, average life expectancy had increased to 78.7 years.<sup>1</sup>

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<sup>1</sup> Source: National Center for Health Statistics. Deaths: National Vital Statistics Reports, Volume 61, Number 4. Deaths: Final data for 2010. May 8, 2013