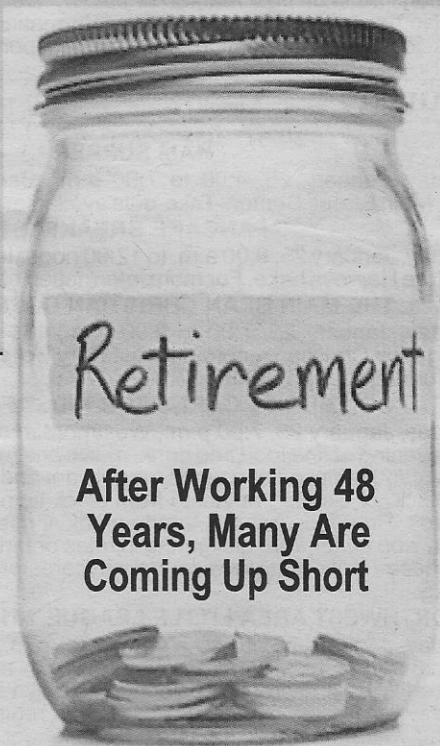


Can You Retire This Year, At Age 66?

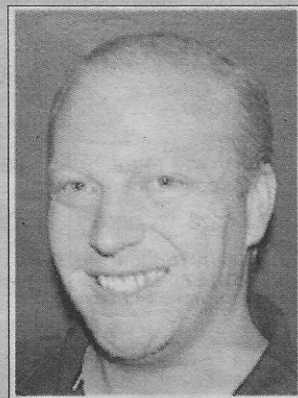
They've Arrived, But Many Are Facing

Money WOES!

WILL YOU?



**After Working 48
Years, Many Are
Coming Up Short**



Martin A. Federici, Jr.
Financial Advisor

Donna S. Davenport

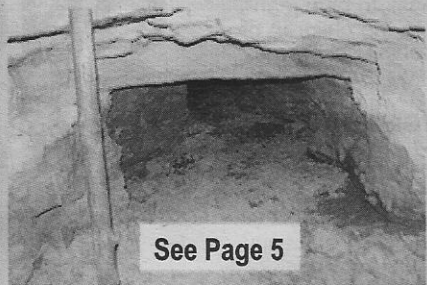
The class of 1966 (born in 1948) has been working 48 years, and qualifies for full Social Security retirement benefits this year. But, how many will actually retire now?

Not everyone has a pension, and most that don't will have to keep working. For many reaching retirement age, the

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Americans are now working longer, out of necessity. Those who graduated in 1966 are now reaching the age of full retirement benefits, yet, even if they began working at age 18, 48 years ago, many are facing financial challenges that make retirement difficult, if not impossible.

COPPER?



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HERE?

Retirees Facing Financial Woes

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acquired wealth of their lifetime was mostly lost in the great recession.

Seventy eight million Americans born between 1946 and 1964 and known as the Baby Boomers are rapidly reaching retirement age and facing complicated financial decisions. Statistics now indicate that more and more of them are unable to retire and therefore will continue to work, as they are able.

In 1998, 12.4% of U.S. workers were 55 or older, and that percentage continues to climb. In 2008, it reached 18.1%, and by the year 2018, 25.0% of the American workforce will be 55 or older.

Depending on when they were born, those who are between the ages of 65 and 67 can receive full Social Security benefits and Medicare. The age requirements for receiving full Social Security benefits (called "full retirement age" or "normal retirement age") are as follows:

Year of Birth: Full Retirement Age

- 1937 or earlier: 65
- 1938: 65 and 2 months
- 1939: 65 and 4 months
- 1940: 65 and 6 months
- 1941: 65 and 8 months
- 1942: 65 and 10 months
- 1943 through 1954: 66
- 1955: 66 and 2 months
- 1956: 66 and 4 months
- 1957: 66 and 6 months
- 1958: 66 and 8 months
- 1959: 66 and 10 months
- 1960 and later: 67

As the local aging population looks toward retirement, questions about their financial futures loom in the air. Martin A. Federici, Jr., financial advisor and CEO of both MF Advisers, Inc. (financial planning firm) and MF Tax & Accounting, Inc.

(tax and accounting practice), shared with readers tips on how to prepare for retirement and what factors to consider in making financial decisions.

Preparations and Expenses

Preparations for retirement may seem unimportant to a worker in his twenties, or even in his thirties, but at what point does he need to start putting away savings for old age? When is it too late to start saving for a comfortable retirement? Federici said, "That depends on the income potential of the individual, but if you haven't saved much once you reach age 50, your chances of saving enough for retirement go dramatically downhill unless you are making over \$100,000 a year and can save at least 30% of your income until at least age 65." If an individual started saving later, Federici said, he might need to work a bit longer than expected.

For many Americans, the concept of retirement brings to mind thoughts of travel, hobbies, and leisure time without financial stress, but the expenses that retirees face may catch many by surprise.

"There are a lot of expenses that retirees need to worry about, such as income taxes, property taxes, uncovered and covered medical/medication costs (including Medicare supplements), and insurance costs," Federici said. "I would say the biggest costs would be uncovered medical expenses and the possibility of needing long-term care, since they can wipe out savings rapidly."

Housing and Mortgages

For the many retirees who consider selling their homes or pursuing reverse mortgages, Federici advised, "A retiree should consider selling their home only if they really want to move elsewhere (no specific

age), and then use the proceeds from the sale of the house for new housing (whether owning or renting).

"I typically do NOT recommend reverse mortgages, BUT there are some instances when it may make sense depending on the individual's unique situation. Some factors to consider may include equity, amount left on mortgage, retirement savings, life expectancy, etc."

Financial Warnings

The American-dream retirement is what most people are after, but through unwise moves, or through unexpected expenses, retirees can easily slip into major financial trouble. "The biggest financial threat a person in their 60's faces is running out of money before they die, primarily due to not saving enough and rising medical costs due to deteriorating health," Federici warned.

The decision of when to quit working can have huge financial repercussions, but also, Federici noted, physical and mental repercussions. Retiring too early can lead to not only financial ruin, but also to physical or psychological deterioration. Federici explained, "The most common mistakes someone makes when deciding to quit working are to plan retirement poorly (use of time), or to stop working when they still derive great satisfaction from what they do. Ideally, still working part-time (for the socialization and keeping mind sharp aspects, and possibly the extra money) would probably be of greater benefit to many retirees."

Retirement and the Economy

The current state of the economy is affecting the financial security of retirees and even the possibility of retiring at all for those approaching that age bracket. Though many retirees have stored away savings from decades of labor, Federici said, "The wealth of retirees in general is decreasing over time due to inflation and increased expenses, but those with enough equity exposure (stock market investments) and the help of friendly markets (hard to count on) can extend

that wealth (hopefully) to the next generation."

For many would-be retirees and soon-to-be retirees, the dream retirement may seem perpetually out of reach. "I do believe that many aging baby boomers will have to keep working due to lack of retirement savings and increased medical expenses," Federici said. "A difficult job environment makes this even harder, since many of these boomers may be subject to job cuts and layoffs."

Seeking Financial Advice

The best way to chisel out a wise and secure retirement plan is with the help of a professional financial advisor. As a financial advisor and CEO of one such local firm, Federici is available to help local residents map out their financial futures and set them on the road to a comfortable retirement. Of his services offered, Federici said, "MF Advisers, Inc. provides comprehensive financial/retirement planning, including investment advice/management, budgeting, tax planning (a CPA is on staff), and insurance review/advice. MF Advisers, Inc. specializes in and understands many of nuances of the K-12 403(b) markets primarily in PA & FL."

Of his other practice, Federici said, "MF Tax & Accounting, Inc. provides tax preparation, tax planning and advice (a CPA is on staff), payroll services, and accounting services for families, individuals, and businesses primarily in Pennsylvania and Florida."

Federici advised readers on how to choose a trustworthy advisor among the many options available in the area. He said, "For those looking to work with a qualified financial advisor, find one that works for an RIA firm, accepts no commissions, and has the heart and demeanor of a teacher, NOT a salesman. Chances are that type of advisor will have your best interests in mind (as it should always be) and guide you on the right path towards financial success (whatever that is for you)."

MF Advisers, Inc. is located at 91 Franklin Street in Dallas and can be reached at (570) 760-6524, or by visiting them on the web at www.mfadvisers.com.

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