

Companies Court Boomer Retirement Money

by AP-News

NEW YORK (AP) - Before David Filkins retired from his job as a computer software engineer, he wanted to make sure that all the calculations he had done about financing his retirement years were on target.

So he reran the numbers using Fidelity Investments' retirement income planner, an online tool that consumers can use on their own or with the help of financial advisers to evaluate retirement goals and investment strategies.

Filkins, 60, said the results convinced him and his wife, Christina, 58, that he could quit his job in 2005 and that they could move to the home they had purchased several years earlier in Longboat Key, Fla.

The Fidelity planning program "validated the work I had done and gave me a level of comfort" to step into retirement -- and to begin indulging his passions for windsurfing and cycling full time.

As the oldest of the baby boomers -- those born between 1946 and 1964 -- begin to approach their retirement years, the companies that helped them accumulate their retirement savings don't want to lose those assets.

What companies like Boston-based Fidelity Investments hope to do is help boomer manage the money they've accumulated during their work years in company-sponsored 401(k) accounts, individual retirement accounts and taxable savings accounts.

Insurance companies such as New York Life and MassMutual have developed new annuity products that soon-to-be retirees can roll their saving into and then draw monthly checks for life. Financial advisories Ameriprise Financial Inc. in Minneapolis and Principal Financial Group in Des Moines, Iowa, have stepped up advertising to attract rollover accounts, as have many commercial banks.

Matt Schott, research director at the TowerGroup research and consulting firm in Needham, Mass., said financial planners, asset managers, insurance companies and even financial management software developers see the retirement of the baby boomer generation as a watershed.

"There are a lot of folks in the industry who are saying that this is going to be the thing to prompt households to finally consolidate their assets," Schott said. "That means there is a significant opportunity to institutions not only to solidify the hold on the assets they have but to garner new assets as well."

And many boomers are going to want help managing their assets in retirement so they don't outlive them, he added.

"The financial institutions that succeed are those that offer integrated solutions that raise consumers' comfort level and give them confidence," Schott said.

For retiree Filkins, who admits he "probably spends too much time with Excel spreadsheets," the idea of having a way to consolidate the couple's savings as well as track their spending and investments was important to their peace of mind.

"I can update it each year and make sure we're on track, so we can focus on other things," he said.

Claire Huang, an executive vice president with Fidelity Personal Investments, said that since the Fidelity launched its Retirement Income Advantage program in June 2004, the company has helped some 460,000 investors create retirement plans. The median age of the customers is 55, she said.

"People were asking, 'Am I OK or do I need to change my plans?'" Huang said. "They needed tools to decide if they need to save more, work longer, be more aggressive with investments -- all important and personal decisions."

Craig Brimhall, vice president for retirement wealth strategies with Ameriprise Financial, said that boomers face several problems as their retirement dates approach.

One is how they're going to spend their retirement, and Brimhall believes it's going to be different from the way their parents and grandparents spent it. He said Ameriprise Financial about three years ago developed a "Dream Book" that people can use as a starting point to think about hobbies, volunteer work, returning to school, traveling and other activities they might want in retirement.

Then there are the financial questions, such as "I don't know if I'm ready" or "I don't know if I've accumulated enough" or "I don't know how to take distributions from my savings account," he said.

"There is a huge gap in understanding because the math changes," Brimhall said. "The math of accumulating is totally different from the math of distributing savings over the next 30 years."

In some cases, people can do it on their own if they're careful. But many will want professional advice, he

said.

That was the solution for Robert Manders, 65, and his wife Linda, 57, retired last year after long careers in the defense industry -- he as a program manager for a defense contractor and she as a computer data base designer. They have since moved from Minneapolis to West Des Moines, Iowa, though they're not yet sure it's their final retirement destination.

Robert Manders said that the most important step they took in preparation for retirement was working with Ameriprise Financial adviser Michael S. Beriss. Manders said that Beriss helped the couple decide what to do when they left a major contractor in 1998 and moved on to work for smaller companies.

"We meet with him every six months or so for a full analysis of where we are and where we're going," Robert Manders said. "If something happens in-between, we call him or he calls us."

He said the couple could do some of the money management themselves, but added: "He spends his life tracking investments. I don't want to spend several hours a day trying to figure it out. We're retired."

On the Net:

<http://www.fidelity.com>

<http://www.towergroup.com>

<http://www.ameriprise.com>

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