

Baby Boomers More Likely to Retire Single



By ALAN FARNHAM
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A new study sees tough times ahead for baby boomers who retire single, or who become single in retirement. The report, "Single in Retirement," released today by the [BMO Retirement Institute](#), finds singles face "a unique set of financial, emotional and planning challenges" in retirement. And their ranks are growing quickly.

Among people age 65 or older, 47 percent of women and 18 percent of men now live alone, according to U.S. Census data--an increase since 1970 of 96 percent for women and 22 percent for men.

The BMO study says that while solo retirement is a growing trend, not all singles retire equally.

It draws a distinction between what it calls "Ever Singles"--people who have never married or who have spent a significant portion of their lives unmarried—and "Suddenly Singles"—people who have singleness thrust upon them by a divorce or the death of a spouse.

"It's not the woman who's been single all her life who's most at risk," said study director Tina Di Vito. "She's probably under-saving for her retirement; but it's the married person who's been relying on their partner to handle all the financial matters who's at greater risk. Suddenly they're on their own and fully responsible for their own financial matters."

Dorlene Zaslow, 62, had been married 24 years to her surgeon-husband when he died unexpectedly three years ago. "It was very scary for me in the beginning," she said.

Even though she had helped manage the five offices of her husband's Florida medical practice, she said her "biggest concern was knowing exactly where the money was, having control of it. Lots of people, women especially, don't know that. They're not sure."

She said that as a risk-taker, she was prepared to invest aggressively to assure her future income.

But her financial planner, Keith Singer of Boca Raton, persuaded her to be more conservative and to put a chunk of her money into annuities and tax-free bonds. She's glad now that she did: "You think you're going to have the same job and make a lot forever. But nothing lasts. You need to know that. You need to know how much you'll have to live on."

Though single retirees are on the increase, Di Vito said not all financial planners give that fact sufficient weight when advising married clients. Singer did, said Zaslow. It was her husband who insisted that the couple see a financial planner.

Divorce rates for soon-to- retire baby boomers have surged over the past 20 years, even as those for other age groups have stabilized, according to the BMO report.

Di Vito said one possible reason baby boomers are more divorce-prone is a phenomenon psychologists call "boomer entitlement," a tendency for mature individuals to seek freedom and self-fulfillment after years of having accepted conventional roles dictated by society.

Di Vito said it is often the female who leaves the marriage first.

"More and more women Boomers have their own assets and pensions as they enter retirement," she said. "They may already have been living independent lives within their marriages. One day they look at their husband and ask themselves: Who is this person? Women often are the ones to initiate older divorces. That's the trend."

Yet women are later apt to discover they have failed to prepare sufficiently for retirement's demands.

A 2010 Employee Benefit Research study found that single baby boomer men, compared to their married counterparts, had a 19 to 34 percent higher 'savings deficit' for their retirement.

But the same study found the deficit for unmarried women to be at least double that of married women.

Di Vito said that once a senior suffers a drop in income, statistics show it's very difficult for them to climb back.

BMO's report advises current or potential singles to do six things in order to meet what it calls the "distinct challenges" of being retired and alone:

- Plan for retirement as early as possible.
- Build and sustain wealth.
- Understand income and expenses.
- Consider changes in housing needs.
- Focus on social and emotional well-being.
- Devise a comprehensive health strategy.

According to a 2010 U.S. Consumer Expenditure Survey, housing expenses account for 37 percent of a single person's income, versus 32 percent of a married couple's.

For that reason, single retirees need to keep a close eye on housing costs and, when necessary, lower them, said Di Vito.

The BMO report suggests that the single retiree consider living communally or taking on a roommate—what it calls the "Golden Girls" solution.

Not only does this help reduce costs, but living with others helps guard against depression.

According to census data, 557,000 seniors aged 65 or older already share some type of shared housing arrangement.

North Carolina retiree Karen Gullede's husband, a state civil engineer, retired in 1990 and died in 1996. "He had heart trouble," said Gullede, 70, "but even so, you never are expecting it."

One of her first tasks was to sell the family home and move into a townhouse with lower maintenance costs.

"I hated to do it," she said. "We'd been in that house 28 years. But it was the only answer."

On the advice of her and her late husband's financial planner, [Jim Trull of Keystone Financial Partners](#), she put "a lot of money" into an annuity. That has helped her to maintain her standard of living.

Asked what her advice she'd give to somebody facing retirement alone, Gullledge said: "Plan everything you possibly can. Meet with a financial planner early. Make sure you know where all the financial documents are kept, and make sure they're kept in order."

Beyond taking the necessary financial precautions, Gullledge advises to take social ones as well. "Friends become very important. They help you through it, she said. "You have to develop a new core of friends."

Dorlene Zaslow said it's important to keep busy. She does Pilates, keeps herself "super fit," and every now and then travels to New York to see a show. She's dating a man 16 years younger than herself.

"I try to be happy," she said. "You have family and friends. But basically, you're on your own. At the end of the night you're by yourself."