

## Why Are So Many Retirees in Financial Trouble?

It seems like you can't pick up a newspaper or magazine without seeing an article about someone losing their retirement savings in one of the recent bear markets. Ironically, most of the stories are about people who thought they were prepared to take the plunge, only to wake up in an ocean of financial trouble. Why is it that after one of the greatest runs in stock market history so many people have lost their grip on a secure retirement?

"An entire generation of retirees is in trouble," says financial educator, author and retirement planning expert Paul Grangaard. "It's a shame that on the heels of one of the greatest bull markets this country has ever seen so many seniors are being forced to scuttle their retirement plans. It didn't have to be this way."

Having trained financial professionals for years, Grangaard knows there is a much better way—and he has decided to take his message directly to consumers. "The problem is, we've been so focused on accumulating money for retirement, we forgot that it has to be managed during retirement too," he notes. "And now, one generation is gasping for air, while another 65 million people are following right behind." Grangaard's books and presentations address these issues by helping older investors understand the Twelve Principles of Twenty-First-Century Retirement Investing, which demonstrate how to protect yourself from the kinds of turmoil we see so frequently in today's markets.

"The last few years haven't been easy for anyone," he says, "but they've been particularly hard on retirees. Younger investors have time to ride out the ups and downs in the stock market, but older investors need income—so they have to sell stocks periodically. And you never want to do that when markets are heading south. "

But many retirees are selling—because they need the money. Despite the fact that stocks have bounced around near all-time highs, and previous year returns were well above what anyone would have expected, too many retirees failed to capitalize on these opportunities to secure a comfortable retirement.

"Unfortunately, time is running out, and millions of retirees and pre-retirees need to learn how to manage their assets more effectively in retirement," says Grangaard. "Thousands of people are retiring every week, and the decisions they make today and tomorrow will affect them and their families for years to come."

"Most people don't realize that retirement investing is primarily about income, and only secondarily about returns," he adds. "Locking up income whenever possible, while staying invested for growth, are the twin pillars of retirement success. Maintaining the balance between safer, lower-return fixed income investments and riskier, higher-return growth investments, is the only way to sleep better at night and live better during the day," says Grangaard, "and sadly, few people know how to do it."

Among the strategies he recommends are: "Invest in the Right Stuff" (principle #5), which explains how to maintain the proper balance between fixed income and stock

market investments; “Diversify” (principle #6), which illustrates why it’s so important to own a variety of stock market investments—so you’re always likely to have something ready to sell when you need more income; and “Take Action Now” (Principle #12), which shows readers how to pull everything together into a workable retirement plan.

Employers have been shifting away from the old-fashioned pension plans that provided guaranteed income for life and were managed by highly trained professionals. They’re replacing them with a variety of accounts like IRAs and 401(k) plans that require people to manage their own affairs. “Essentially, all working Americans have been turned into pension plan managers, but unfortunately, we haven’t provided the training,” says Grangaard.

He notes that tomorrow’s retiree’s don’t know any more about managing money during retirement than today’s retirees. “Despite the fact that they recently experienced some of the best investment markets of all time, today’s retirees don’t seem to be doing very well,” notes Grangaard. “What a shame—and what a frightening prospect for the future.”

The good news is that despite what’s happened recently, it’s never too late to improve your own financial situation. “You can take control of your future and start recovering today,” says Grangaard.

You can learn more about The Grangaard Strategy® approach to retirement planning, and educational events being offered in your area, at [www.TheGrangaardStrategy.com](http://www.TheGrangaardStrategy.com). Paul Grangaard can be reached at [paul@pagrangaard.com](mailto:paul@pagrangaard.com) or by telephone at 651-917-0139.

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