
Many Americans unprepared for health expenses in old age

By Editor Test *Wed, Jan 12, 2011*

More than one-third of Americans ages 45 to 70 are worried about running out of money during retirement, but only 20% plan to purchase any form of guaranteed lifetime income.

Nearly half (48%) of Americans ages 45-70 have no financial plans in place to protect themselves against outliving their assets and the rising cost of healthcare should they live longer than they expected, according to a Society of Actuaries (SOA) survey.

In addition, more than one-third are worried about running out of money during retirement, but only 20% plan to purchase an annuity or other form of guaranteed lifetime income to protect their assets.

At the SOA's 2011 Living to 100 Symposium in Orlando last week, actuaries, demographers, gerontologists, biologists and researchers from around the world gathered to discuss some of the topics addressed in the survey, as well as share ideas and knowledge on aging, changes in survival rates, challenges of surviving to very high ages and the impact of long life on business and society.

"Americans, specifically the baby boomer generation - many of whom will be eligible for retirement the beginning of the new year - have not saved enough money for retirement," said Anna Rappaport, FSA, MAAA and president of Anna Rappaport Consulting. The survey also found that 71% of respondents plan to claim Social Security before the age of 70.

In other findings, the SOA survey found that 75% of Americans ages 45-70 protect their tangible assets, such as housing, through home or renter's insurance; however, only 19% plan to buy long-term care insurance.

The SOA's survey findings were based upon a nationally representative online survey of 1,006 individuals, ages 45-70, and had an error rate of plus or minus 3.10 percentage points.

© 2011 RIJ Publishing LLC. All rights reserved.