

# Retirement



## In Sight

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES  
PRESENTED BY UPAL - JULY 2018

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### QUOTE OF THE MONTH

*"Nothing is a waste of time if you use the experience wisely."*

AUGUSTE RODIN

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### WHY TAKE ON DEBT TO HELP YOUR KIDS WITH COLLEGE?

An unsettling trend is emerging among pre-retirees and retirees. Parents are picking up a greater share of college education costs, and in doing so, they may risk damaging their retirement prospects.

A new analysis of higher education debt patterns by SavingforCollege.com finds that the average college loan debt shouldered by parents rose approximately 6% this year, topping \$35,000. College is so expensive today that some students are hitting the ceilings on federal student loans, which allow them to borrow as much as they might make their first year after graduation. This year, those lending limits are set at \$31,000 for dependent students and \$57,500 for independent students. To some undergraduates, that seem low – and parents are opting to help.

Unfortunately, there is no such thing as a retirement loan (unless a reverse mortgage counts). With running out of money a prime retirement concern among baby boomers and Gen Xers, it seems financially perilous to tap savings accounts, IRAs and other retirement plans, or whole life insurance policies to help young adults whose peak earning years are presumably ahead of them. The desire to help sons and daughters deal with this debt is understandable, but it may backfire: if parents cannot fund their retirements adequately as a consequence of this generosity, their children may end up with another financial burden decades later – the burden of their impoverished elders moving in with them. The bottom line: put retirement saving first.<sup>1</sup>

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## FAMILY & FRIENDS MAY PLAY A CRUCIAL ROLE IN SUCCESSFUL AGING

We all want to live independently for as long as we can. We may assume the keys are diet, exercise, and wealth, but we may be overlooking something very important – the degree of community and caring provided by our neighbors, friends, and loved ones.

A high-touch environment may be just as important as the high-tech devices that support “aging in place.” This is especially true since so many women live alone during retirement, and since many men and women see their circle of friends contract as they age. Birthrates have declined, which leaves fewer children and grandchildren to turn to for assistance with errands, yardwork, or help around the house. Living alone can be hazardous for those developing dementia: about 60% of such seniors wander at least once from their homes into unfamiliar or inhospitable environments.

Checking in on the elders we know is the kind and right thing to do: in doing so, we may help them stay engaged and active. We might even save them in an emergency. As we age, we should welcome our friends, neighbors, and children and grandchildren to check in on us and maintain those all-important close ties.<sup>2</sup>

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## ON THE *BRIGHT SIDE*

Retirement plan balances have almost doubled in the past decade. According to Vanguard’s *How America Saves 2018* report, the average amount in an employer-sponsored retirement plan account was \$103,866 in 2017, compared to \$56,030 in 2008.<sup>3</sup>

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### CITATIONS.

1 - [cbsnews.com/news/the-surprising-reason-student-debt-is-leveling-off/](http://cbsnews.com/news/the-surprising-reason-student-debt-is-leveling-off/) [7/11/18]

2 - [forbes.com/sites/josephcoughlin/2018/07/06/how-to-age-independently-retiring-well-requires-more-than-money-diet-and-exercise](http://forbes.com/sites/josephcoughlin/2018/07/06/how-to-age-independently-retiring-well-requires-more-than-money-diet-and-exercise) [7/6/18]

3 - [bloomberg.com/view/articles/2018-07-09/the-good-and-the-bad-of-retirement-saving](http://bloomberg.com/view/articles/2018-07-09/the-good-and-the-bad-of-retirement-saving) [7/9/18]