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## **AARP Economic Survey: Boomers and Their Parents Share Concerns, But Manage Differently**

### *Survey Finds Younger Boomers More Likely to Postpone Paying Bills, Cut Back on Medications*

In May 2008, AARP and the AARP Bulletin released the most comprehensive survey yet examining how boomers and their parents' generation are managing the current economic downturn, from paying for everyday necessities to changing their investment strategies. According to the survey, 81% of all Americans ages 45 and older say the economy is in fairly bad or very bad condition, and almost three-in-four (74%) say their elected officials are not doing enough to help people caught in the economic squeeze.

“The current economic downturn is forcing millions of Americans to make very difficult decisions on their immediate survival and long-term financial security,” said Tom Nelson, AARP's Chief Operating Officer. “They are looking for help, and they want more action from our elected leaders.”

### **BABY BOOMERS, WORKERS FEELING BIGGEST IMPACT**

Baby boomers are feeling a relatively greater impact of the economic downturn, and some of their reactions – like compromising their retirement savings and even cutting back on medications – have negative implications for the future. More than one out of four middle-aged and older workers (27%) say they postponed plans to retire due to the recent economic downturn.

Almost 25% of people ages 45-64 are prematurely taking money out of their 401(k)s and other investments. Younger boomers (ages 45-54), in particular, are doing things like postponing paying bills (27%) and even cutting back on medications (17%).

“It may be years before we realize the full scope of the current economic crisis,” added Nelson. “Taking money out of your retirement savings has a compounding effect because that money is not allowed to grow at a time when you have fewer working years to replace the losses. Even more troubling, shortchanging your health care can lead to higher health care costs down the road.”

### **RETIREES, 65+ MORE ACCUSTOMED TO ECONOMIC PRESSURE**

Retirees and 65+ Americans are more likely to depend on fixed incomes, which means they have less room to make spending changes and may be bearing the biggest burden of rising prices. Almost six-out-of-ten (59%) of people 65+ in this group are having a harder time paying for food, gas and medicine, and more than a third (34%) of all retirees have had to help a child pay bills in the last year. More than one-in-ten (11%) of retirees have had to seek help from loved ones or charity organizations in the last year.

“Retirees and older Americans have had to deal with skyrocketing health care costs on fixed incomes for years,” said Nelson. “For them, the current economic slump means more of the same.”

## **SHARED IMPACT AND COMMON CONCERNS**

Overall, the poll shows that there is a sense of shared pain and common concerns among boomers and older generations - both among retirees and those looking to retire in the foreseeable future. Eighty-one percent of all respondents say the economy is in fairly bad or very bad condition and 75 percent think it's getting worse. Almost two-thirds (63%) of those asked own stocks individually or through retirement plans like 401(k)'s or IRAs. More than 7 in 10 (72%) of these investors lost money on their portfolio in the last year.

While most of all respondents (58%) are not concerned about the impact of mortgage foreclosures on their personal well-being, almost 9 in 10 are concerned about the effect of foreclosures on the larger economy and 64% are concerned about the impact on their communities.

AARP and the AARP Bulletin commissioned the survey, titled “The Economic Slowdown's Impact on Middle-Aged and Older Americans.” The national telephone survey of 1,002 people ages 45 and older, was conducted April 12 - 23, 2008 by Woelfel Research, Inc.

For more information, view the complete survey here:

[http://www.aarp.org/research/economy/trends/economy\\_survey.html](http://www.aarp.org/research/economy/trends/economy_survey.html).