

BEQUESTS TO BOOMERS

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nights and their high-spending '80s splurges than for their savings habits.

They came of age during the Vietnam era, witnessed the Kennedy and King assassinations and Watergate, and questioned authority. Now they see themselves as perpetually young and expect to travel widely, eat organic and stay physically active—running marathons, climbing mountains—well into old age. And by the way, Boomers believe old age doesn't set in until after age seventy, according to a report by The Boomer Project.

"We'll remain active until our seventies; we won't be good at sitting around," says **our magazine's quintessential Boomer, John Roach**, 54, president of John Roach Projects. "We're independent thinkers and strivers—we're used to mattering. Something about retirement strips you of power and prestige, and Boomers don't like that."

What Boomers do like is all the talk about the largest intergenerational transfer of wealth in history, as their parents—the World War II, a.k.a. Silent Generation—the hoarders and savers, bequeath their life savings. A 1999 Boston College study, "Millionaires and the Millennium," conservatively estimates the wealth transfer to total \$41 trillion between 2000 and 2050. A Donors Forum of Wisconsin report, "Wealth in Wisconsin," estimates Wisconsin's share at \$687 billion.

So Boomers are set for life, right? Well ... a portion of them. "Some Boomers with average incomes are finding themselves wealthy from inheritances in amounts that surprise them," says **Kathleen Voit, president of Madison Community Foundation**. Her non-profit organization helps people contribute to



Tim Foht

"They're called the 'me-first generation' for a reason," Foht says. "They saw their parents grow up with all this money, then pass away before they could enjoy it. Boomers want to travel and do things while they can and worry about retirement later."

permanent endowments that benefit diverse, mostly Dane County causes. "They didn't realize how much their parents had saved; that generation didn't talk about money."

The Silent Generation's retirement planning was generally very structured. "Pre-boomers were incredibly frugal and depended on their own savings, Social Security and employers' defined-benefit pension plans," notes **Michael Hull, director of Citigroup Institutional Consulting**. Most worked one or two jobs during their careers and retired at age sixty-two.

But some Silent Generation parents are living longer than they expected and spending more money on long-term care. Even for the healthy ones, a longer life means more expenses. And depending on parents' estate planning, the taxman may take a large bite out of some legacies. Their Boomer children are likely to receive smaller-than-expected inheritances, and some may find themselves retiring later to make up the shortfall.

Does this mean rumors of the wealth transfer are overblown? "No, the money's out there," says Hull. "It's a question of where it's going." Whether it's to the government's coffers, health-care providers or Boomers, it's still a transfer of wealth.

Bequests aside, Boomers' retirement-planning environment is considerably less structured than that of their elders. "While their parents grew up in the world of pensions, Boomers are the first generation that grew up with 401(k) plans and IRAs and had to self-direct their planning," says M&I's Foht.

Many didn't think about retirement. "It wasn't until 1996 that I started noticing a serious interest in retirement planning," says Citigroup's Hull. "The first Boomers turned fifty, and commentary from psychologists says that's when people start worrying about saving."

Now the Boomers are playing catch-up. "They've been saving at incredible rates since then," Hull adds. "It's no wonder the stock market took off in the '80s; so many Boomers were putting their money in stocks and mutual funds." And in recognition of Boomers' need to save, the U.S. government recently changed pension laws to let people over age fifty make additional contributions to IRAs and 401(k) plans. "Some call it the catch-up contribution," says Hull.

Meeting maturing consumers' real estate needs

Serving today's over-fifty market is big business, and savvy entrepreneurs are creating innovative niche businesses that target this segment. Over half of the Baby Boomer generation is over age fifty, and of 77 million total Boomers, every day ten thousand more turn fifty.

Amy Onofrey is one such entrepreneur. A certified seniors real estate specialist, she founded Senior Living Solutions LLC a year ago to help seniors—those over age fifty-five—with their real estate needs. **"Boomers may recoil at the word senior, but today's older Boomers are our younger seniors,"** says Onofrey, who often goes out to churches and senior centers to share her wisdom.

"Where you live is really an important part of your retirement plan," Onofrey continues. "You need to consider your location, lifestyle, medical and financial needs." She says about half the people contacting her have a housing-transition need for themselves—what she often



Amy Onofrey is a seniors real estate specialist and founder of Senior Living Solutions LLC.

refers to as "right-sizing" versus "downsizing," since Boomers aren't always losing square footage in a new home; the others are adult children asking about their parents' housing needs.

"I've researched assisted living at different levels of care as well as independent senior housing, which tends to be apartments and condominiums," she says. "I get a feel for properties, an in-depth understanding of their costs, and who's living there and why, and I recommend the best solutions for clients."

As a real estate agent for Keller Williams Central, she can also represent clients buying or selling homes as well as educate consumers about available resources—often other businesspeople and nonprofits targeting the over-fifty market. "For people planning to stay in their homes I might recommend visiting their senior centers to see case man-

agers and social workers," she says.

"I can also recommend 'home-adaptation providers' who can help seniors stay in their homes longer; it's called 'aging in place.'" — J.D.