Funding


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Beginning Farmer and Rancher Development Program (BFRDP)
RFA—Visit the National Institute of Food and Agriculture’s Web site at www.csrees.usda.gov/oio/beginningfarmerandrancher.cfm to view the funding opportunity, and the Grants.gov Web site for the application package.

Calendar of Events

February 21–28, 2010
America Saves Week 2010—Planning can be viewed online at www.ebrl.org/pdf/ChairSpring09

March 3–5, 2010
EFERMA (Eastern Family Economics & Resource Management Association) Conference, Chattanooga, TN. Contact Michael Rupured at mrupured@uga.edu for more information.

April 15–16, 2010

May 4–7, 2010

The Number

Written by Lee Eisenberg
Reviewed by Barbara O’Neill, Ph.D., CFP®, Extension Specialist in Financial Resource Management, Rutgers Cooperative Extension

The subject of this book, “the Number,” refers to the amount of money needed to have a comfortable retirement. Many people refer to this as a nest egg. However, rather than focusing exclusively on finances, The Number explores broader issues as well, including the meaning of life and how to achieve fulfillment after downshifting from full-time work. Aimed at baby boomers, the book explores a wide variety of topics including the concept of “enough,” later life debt, the shift from defined benefit to defined contribution plans, the future of Social Security, increased longevity, financial gerontology, behavioral finance, Monte Carlo simulations, new financial industry retirement planning tools, retirement housing options, and more.

One of the most noteworthy quotes from The Number is “Everyone wants to live long, but no one wants to grow old.” How true. Many baby boomers want to live to a ripe old age, but in the body of a 50- or 60-year-old. Guilty as charged. Another thing that caught my eye about this book was the number of people with ties to AFCPE who were quoted or profiled within it, including members (Sally Hass and Steve Shagrin), journal article authors (Michael Rocekowski), and past conference speakers (George Kinder and Sheryl Garrett).

Does The Number tell readers how to calculate their “Number”? In a short appendix at the end of this 268-page book, author Lee Eisenberg, a financial author and for-

Eisenberg cautions, however, that readers should go beyond the formula to tally the cost of what they really want to do to achieve life satisfaction.

The Number is an interesting and entertaining read filled with quotes, stories, and research findings that illustrate key concepts. Below are some nuggets for financial educators and counselors to use in their work:

- Of U.S. workers age 55 and older, only one in four has invested assets over $100,000. The biggest segment of higher income people who interest Wall Street firms as potential clients are the “mass affluent” with investable assets between $200,000 and $1–2 million.
- Number chasers fall into four basic personality types: (1) Procrastinators who avoid thinking about old age, (2) Pluckers who aspire to numbers “plucked out of thin air,” (3) Plotters

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who are “numbers people” that test alternative scenarios, and (4) Probers
who see the Number not as an end, but as a tool to finance fulfillment.

One out of 125 Americans is a true millionaire but some have not been
that wealthy for very long. However, many people who are millionaires on
paper don’t feel they have enough money to get through life. Invested
conservatively, $1 million yields $50,000 a year in income.

Many baby boomers have gone through “lost years” (sometimes
decades) without a serious look at
t heir finances. They are now in seri-
ous need of financial education and
strategies to make up for lost time.

Case studies, which Eisenberg refers
to as “crash dummies,” are used to illustrate later life planning issues. A
major retirement “crash” is spending
too much too soon and running out of
money. Another is widowhood.

The biggest determinant of poverty
in old age is whether a woman
remains married.

Financial gerontology is described
as a discipline focused on the financial
aspects of increased longevity, specif-
ically analyzing the “wealth span” of
older persons. As people live longer,
they have more “distribution years”
relative to “accumulation years.” In
addition, “the morbidity curve is flat-
tening out” as people live longer
despite various “health issues.” A
flatter morbidity curve costs more
than a steep downward curve where
health deteriorates quickly and ends
with an abrupt death.

Some helpful advice for retirement
investing includes: value investing
works better than growth investing
over long time periods, don’t be
afraid of volatility, fees can kill you,
and low mutual fund portfolio
turnover is key to performance.

The Number will get you thinking about
your future. It is witty and includes
valuable insights about the aging
process and the mindset, behaviors, and
foibles of people in their second half of
life. As one reviewer quoted on the
back cover states, “the book will defi-
nitely make you think about where
you’re going and why.”

The Number
Author: Lee Eisenberg
ISBN #: 0-7432-7031-2

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