

Age Appropriate Money Tips: In Your 50s

by vcmorris - Thursday, February 26, 2009

<http://thethinpinkline.com/2009/02/26/age-appropriate-money-tips-in-your-50s/>

I had all sorts of kind words and compliments lined up to congratulate and celebrate you youngish Baby Boomers. 10,000 of you a day are turning 50 for the next ten to twelve years or so. Then I reminded myself that I'm your financial cheerleader - and since you can't take kind words and compliments to the bank - let me provide some *loose change* ideas instead because as I like to say - "*Lose change adds up to folding money.*" You can bank on that.

If you're in your 50s - when it comes to personal money matters - welcome to crunch time!

In the fifth decade of life you need to do with your money what you're hopefully doing with your mind and body: firming it up in general but your *retirement options* specifically. Here's the reason why. Although the whole idea of what retirement is is being re-thought by the 79 million of us who are known as Baby Boomers ("[Encore: Work That Matters in the Second Half of Life](#)" by Marc Freedman), at this age, you're actually thinking about doing it one of these days! So now really is the time to decide what kind of retirement lifestyle you want - and plan accordingly.

Here's how. The closer you get to this thing called "retirement", the more you need to scale back on doing anything too risky with your money. Your asset allocation should be 50% stock and 50% fixed income. This mix lets your retirement savings grow in the market but with a safety net of sorts with fixed income. If, however, you're behind in your savings, you may need to be a more aggressive investor - in other words, take more risk even in your mid-50s in order to make up for lost time and the more recent losses due to the state of our economy. Crunch the numbers - from social security, pension and all your other income streams - to determine how to best allocate your assets. Look for online calculators to help you do this (<http://www.bankrate.com/brm/news/retirement.asp>).

Since women still on average live longer than men and will therefore need money for a longer period of time, it's very important to remember to actively *continue* saving for retirement. Your money mantra should be - save as much as you can and be sure to track your assets more closely the closer you get to retirement.

Many of us age 55 and older are taking care of aging parents, dealing with their end-of-life issues and what may be required of us emotionally and financially to help them. So it's easy to let our *own* future money needs get side tracked.

Get back on track by downsizing your housing costs - possibly relocating to a smaller home. Get back on track by buying long term care insurance if you haven't already because if you purchase it in your 50s, it's still affordable.

And finally, get back on track by downsizing your generosity. Despite what your heart might say, this is the time in life where you *must* stop giving money to relatives and children. I know - that's a tough one.

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But unless you're independently wealthy - you've reached a point where you can no longer afford to lend a "money helping hand" because you'll have little time to recoup any loses for *loans* that become *gifts*.

Next Thursday: Women over age 55 control 65% of the country's wealth (<http://www.silvervixens.com/node/92>) but often don't give themselves credit for being able to make good money choices. I'll have some specific money moves for women of a certain age - 55 and older.

Here's to your health and wealth.

February is Black History Month. Did you know that ... In the early 1900's a woman named Madam C.J. Walker was considered by some to be the first self-made American woman millionaire? Madam Walker was an African-American businesswoman - the wealthiest African-American woman in America in the early 20th century. She revolutionized the hair care and cosmetics industry for African American women. Madam Walker fully recognized the power of her wealth and success. She promoted her business by speaking to women's groups which empowered other women in business. Her story is inspiration to women entrepreneurs of all ages and backgrounds. <http://inventors.about.com/od/wstartinventors/a/MadameWalker.htm>

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