An Old Paradigm with a New Reality

By Blake Todd

10k a Day: Welcome to the Rest of your Lives

Studies project that 10,000 baby boomers…those born between 1946 and 1964…are retiring every day according to such sources as the Social Security Administration and the Pew Research Center.

- That's 10,000 people a day who are suddenly smacking the snooze on their alarm clocks each morning and realizing they have nowhere to go, at least, not to work.
- That's 10,000 people a day who suddenly realize that pay day is just another day of the week and that regularly anticipated work paycheck has become a thing of the past.
- That's 10,000 people a day who suddenly qualify for entitlements like Social Security and Medicare after years of paying into the system, and may soon realize that such government benefits do not go as far as they once did or thought they would.
- That's 10,000 people a day who are now hoping (and praying) that those investment and retirement accounts and their careful financial planning will allow them to live in the manners they have grown accustomed in their newfound retirements.

After all, once individuals have achieved a certain quality of life, they do not want to jeopardize their abilities to maintain them (or even improve on them) even after their working days and the associated paychecks have ended.

Many of these baby boomers have been planning their entire lives for just this day. They spent their working years trying to create a financial independence for retirement. They saved a portion of those paychecks and bonuses, prioritized expenses between those necessities of life and the luxuries they longed to enjoy. They worked hard, while raising families and educating their children. They bought cars and houses; they created memories through family vacations. They set financial goals for retirement to help ensure that they would accumulate the needed dollars to last once their paychecks ended. Bear in mind, once that day arrives, that paycheck from the old work grind is suddenly replaced by a new paycheck of sorts…one derived from those investments accumulated through the years.

Some retirees achieved their financial goals for retirement sooner than anticipated; others worked longer than desired; still others readjusted their plans for retirement to account for their financial realities. Hopefully, they also set personal goals and came up with a new plan, a new purpose, a new adventure. After all, retirement no longer means sitting around watching flowers grow (unless horticulture is your hobby?) and waiting for mortality to kick in. Rather folks are retiring ***TO*** something as opposed to ***FROM*** something. While their individual journeys to retirement may have differed, they all strived to have that ability to do what they ***want*** to do in life, and not what they ***have*** to do. So now what?

The following white paper focuses on asset allocation during the retirement years when that investment paycheck kicks in. It attempts to debunk some of the prior "certainties" regarding Modern Portfolio Theory and the principal use of traditional fixed income products within investment portfolios. It addresses the newfound realities of retirement…the better health and more active lifestyles of the retirees; their longer life expectancies and the need for those investment dollars to last for far more than just a few years. It delves into the details of fixed income and explains how these perceived riskless investments may actually prove quite risky in the current low interest rate environment. It offers a different model for asset allocation, one that attempts to remain conservative and still focus on crucial cash flow to meet ongoing expenses, but involves investments with perceived greater growth potential than traditional fixed income securities.

So now that we've made it, just how should our assets be allocated to ensure that the new cash flow from investments can replace the old paychecks throughout retirement?

The World According to Markowitz

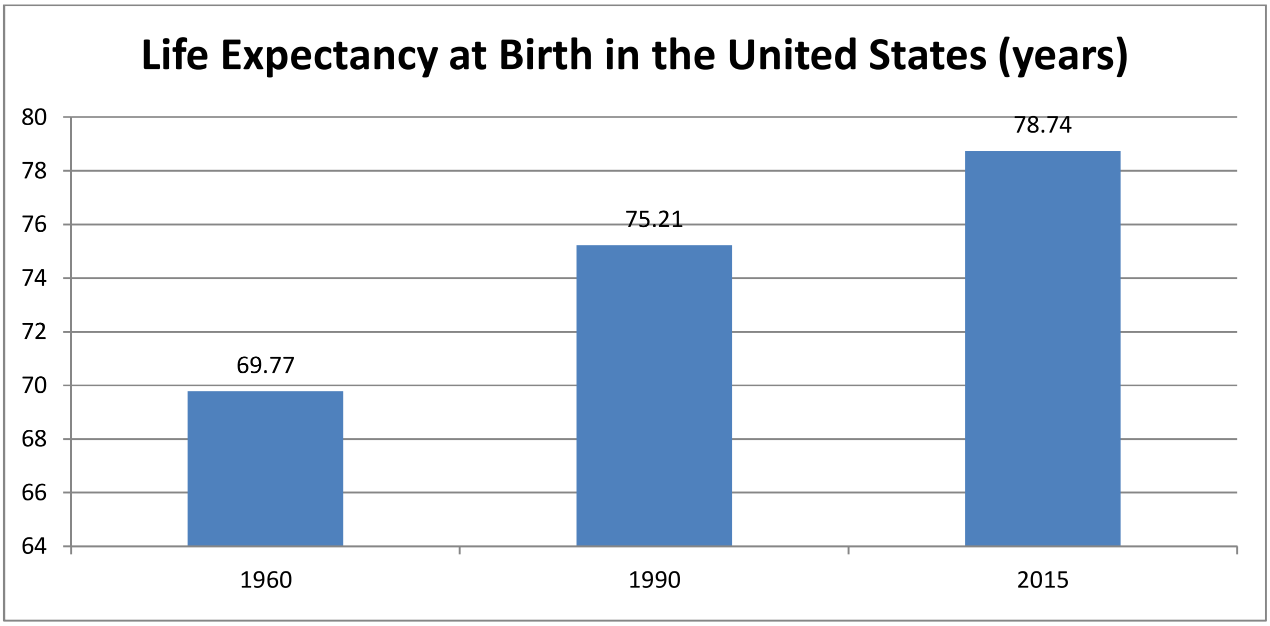
In the 1950s, Harry Markowitz devised a mathematical formulation that has become the "Bible" or the "Gospel" of effective investment management among many financial professionals, and ultimately earned him a Nobel Prize. His Modern Portfolio Theory focuses on the key concepts of diversification and correlation and explains how allocating investment dollars within different asset classes may lower the risk of the overall portfolio. According to Markowitz, the various investment classes perform differently during changing economic and market conditions and by including a diversified mix of assets in their portfolios, investors have a greater chance of reducing their risk.

While investors often incorporate Modern Portfolio Theory throughout their investment lives, many have simplified the concepts for their retirement planning and have adapted an "Age Based" asset allocation model. In its simplest terms, the Age Based approach suggests that investors should invest a percentage of their portfolios that equates to their current age into fixed income securities (bonds) and a percentage that equals "100 minus their current age" into equity securities (stocks). Therefore, a 25 year old individual should invest 25% of the overall portfolio in bonds and the other 75% in stocks, while the 65 year old retiree should allocate 65% in bonds and only 35% in stocks.

For years, many financial planners have advocated this asset allocation model under the assumptions that fixed income is a far safer investment and equities may be perceived to be riskier, but also offer greater growth potential. In fact, within the mathematical formula of Modern Portfolio Theory, government securities (Treasuries) are shown to earn a "risk-free" return so some investors view bonds as a safety net for their portfolios and choose to allocate more to this asset class as they move into retirement and that paycheck from the old work grind comes to an end.

Many believe that the age based approach allows younger investors greater opportunity for growth from the equity portion of the portfolio. Should stocks not perform well for a certain period, they should not lose any sleep because they have more time to make up for these setbacks in their portfolios. Conversely, older investors, like those in retirement, cannot easily replace the principal lost in those down years; therefore, they should allocate more dollars to fixed income where they hope for that steady interest income stream and budget for the future with the expectation that these securities will mature on a set date and that entire principal will be returned. For many investors and financial professionals, the basics behind the Age Based approach to asset allocation seem quite logical; however, times have indeed changed since Markowitz first introduced Modern Portfolio Theory.

Once upon a time (or at least in the 1950s), individuals lived relatively docile lifestyles in retirement. Their expenses were greatly reduced once the working years ended and a steady stream of interest cash flow could go a long way to covering their daily activities. Today's retirees are healthier, more active, and able to continue to enjoy their life's passions. They are living longer and, in some cases, their expenses may actually grow in retirement to accommodate travel and more expensive hobbies. More and more individuals are living to become centenarians (living to 100) and remain active for well into their 80s and 90s. According to the World Bank, in1960 life expectancy in the United States was 69.77 years. In 1990, it had jumped to 75.21 years and by 2015 life expectancy domestically was 78.74 years. In fact, many of these retirees may be even accepting greater portfolio risk by allocating such a large portion of their retirement assets into the perceived safety of fixed income. And suddenly this riskless asset as defined by Modern Portfolio Theory is not riskless at all if you outlive your nest egg.



Source: The World Bank

Retirement Statistics	Data
Average retirement age	62
Average length of retirement	18 years

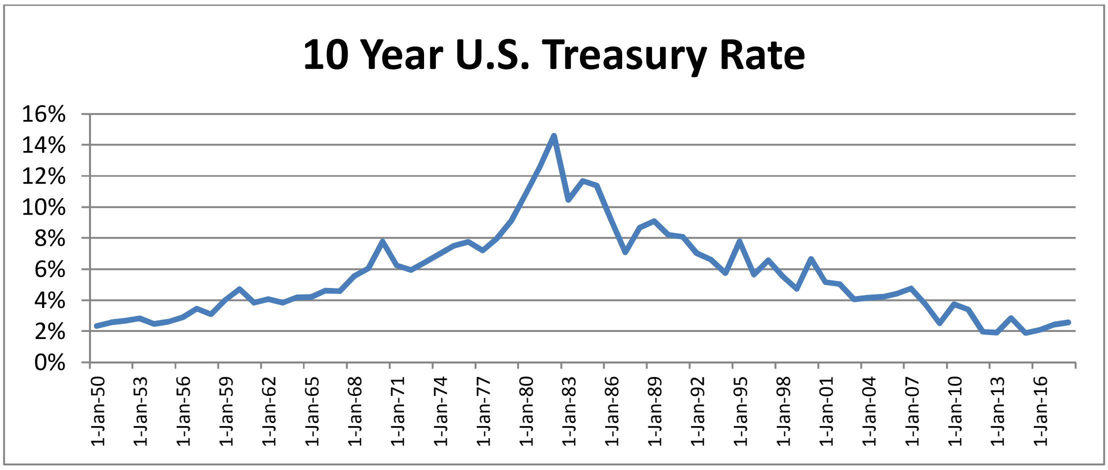
Source: U.S. Census Bureau, Saperston Companies, Bankrate
Research Date: July 13th, 2014

A Little Fixed Income History Lesson

Many investors (and financial professionals, for that matter) have never experienced a time when interest rates were rising for an extended period. The long-term secular trend has seen rates declining since the early 80s so, perhaps by happy accident, many investors have earned competitive returns on this seemingly safe part of their portfolios. After all, while many invested in fixed income for the periodic cash flow stream from their associated coupons, the principal value of their bonds actually increased as rates have fallen. (Bond math 101 states that interest rates and bond prices move inversely to each other; as rates decline, prices rise and vice versa.) When the bonds people owned in their portfolios became shorter-term in maturity each year, they were priced as lower yielding shorter-term investments which, in turn, lowered the volatility of a diversified portfolio.

In fact, investors who follow Modern Portfolio Theory and, more specifically, the Age Based allocation model, have done far better on their fixed income portfolios than they may have expected. But that friendly trend most certainly cannot last forever. Rates have drifted to historically low levels since 2008 and many analysts expect the Federal Reserve policymakers to begin lifting rates by mid-2015.

Under this scenario, a little gray hair can prove worthwhile as those investors and advisors who were monitoring the markets in the 1970s can remember the negative impact of rising interest rates on bond prices and performance. For much of the three decades prior to 1981, interest rates climbed in this country and investors suffered through the oil crisis and the inflationary periods of the 1970s. Today's interest rates are not high enough to generate a meaningful income for investors. Further, should rates begin to rise from their historically low levels, the principal values will decline as will the overall value of the portfolio. Those investors (and their advisors) who continue to favor an Age Based asset allocation for their retirement dollar may be accepting additional risk in their portfolios, even though they continue to invest in a perceived "risk-free" asset class. And remember, those retirement dollars need to last longer than they did in the decades of the 80s, 90s, and even 2000s when rates were falling.



Source: http://www.multpl.com/interest-rate/table March 2018

The Risks of Fixed Income

The old paradigm of allocating significant assets into fixed income for investors entering retirement no longer appears rational in the current interest rate environment. Life demographics have changed and, in most cases, the income earned from fixed income is not worth the investment or the associated risk of declining principal value should rates begin to rise. Even if rates do not rise, the interest earned from fixed income today most likely will not replace the income earned while working. Looking forward, in our opinion, fixed income is not an asset class in which retirees should hold a sizable percentage of their investment dollars.

Credit Risk: The country has experienced an easy money environment since the economic downturn beginning in 2007. The extremely low interest rate environment has prompted companies and public entities to carry higher debt loads and defaults currently stand at historically low levels. The Federal Reserve has enacted stimulus measures that have expanded the money supply and the level of outstanding debt relative to the nation's GDP (Gross Domestic Product). As rates rise, investors face the potential for credit downgrades and even bond bubbles in both corporate and government/municipal securities. Already, high profile municipal bankruptcies have been on a dramatic rise, exceeding numbers not seen in decades with Stockton and Detroit as prime examples.

Inflation Risk: Currently analysts and global investors seem more worried about threats of deflation and inflation remains far from the radar screen. However, as interest rates rise, inflation may rear its ugly head again as the printing presses open up even more and purchasing power will be diminished. Individuals living on a fixed income in retirement will see their quality of their lives severely impacted by inflation, at a time that they cannot add more capital to the equation (through work paychecks) to balance out the impact of higher prices and the contracting purchasing power of their dollars.

Price (Interest Rate) Risk: As mentioned earlier, as rates go up, the value of the associated principal of all bonds goes down until they mature and hopefully pay back the principal. If the fixed income allocation is sizable, as per an Age Based calculation, retirees may find the overall values of their portfolios declining over time in a rising rate scenario. Even if they plan to hold these securities to maturity and not realize any losses on their bond portfolios, they may suffer a decline in overall net worth should rates increase while the buying power of their principal may decline. And, if they need to raise cash for some reason and sell bonds from their portfolio prior to maturity, they may lock in those losses. Right now, many investors are not earning enough from the interest on their fixed income to make such investments meet their needs. While owning a certain percentage of fixed income products makes sense for the liquidity and safety portions of the portfolio (see below), a laddering strategy should be incorporated so that investors have the ability to reinvest at higher rates as their bond investments mature. As investors buy higher yielding bonds at the end of the maturity schedule, they have the opportunity to earn higher rates within the portfolio by committing their capital longer.

While investors can look through the rearview mirror and see favorable rates of returns with limited volatility for fixed income products over the past few decades, they cannot expect similar results moving forward in the current economic and interest rate environments. Therefore, investors should consider a different, perhaps more sensible, approach than is currently offered with the Age Based allocation method.

So, If Not Fixed Income…?

Once retirement sets in and the work paychecks end, retirees will need investment income to replace those moneys previously received on the 1^{st} and 15^{th} (paydays) of each month. The case against fixed income should not be perceived as a case against cash flow. To the contrary, cash flow should be a prime consideration and play a significant part of any investment program, regardless of age, but the actual products themselves may differ from traditional fixed income.

Investors need to consider quality assets with the potential for (and history of) growing cash flows to help replace those paychecks and generate an appropriate income stream to accommodate their lifestyles and keep up with inflation. Numerous companies, publically traded and private, have been around for years, surviving and thriving through various market cycles, and management simply understands how to generate and distribute cash flow. Many corporations have increased their dividends each year as excess cash becomes available; others have engaged in share buyback programs which often have the effect of increasing stock prices. Other non-traditional asset classes may not be as well-known to the novice investor, but could be worth considering for their abilities to earn income and distribute cash flow as well.

Some of the asset classes that investors have to choose from today as an alternative to fixed income are high quality dividend paying stocks, REITs (real estate investment trusts) with rising distributions, other asset-based securities that pay distributions, and even Master Limited Partnerships with sizable cash flow distributions. These securities provide alternative options other than traditional fixed income that may provide higher cash flow yields to help provide an investor with the highest sustainable annual cash flow. The higher that cash flow, the better their quality of life. And, by allocating larger percentages of capital to asset classes that have the potential to see market appreciation as the distributions increase over time, there is the potential to see growth of the principal value as well.

Security Distributing Cash flow	**Definition**
Dividend Paying Stock	Company that pays a distribution of a portion of its earnings, decided by the board of directors, to a class of its shareholders.
Real Estate Investment Trust (REITs)	Security that invests in real estate directly and whose revenues come principally from their properties' rents or interest earned on mortgage loans.

Asset-Backed Security (ABS)	Financial security backed by loans, leases, credit card debt, a company's receivables, royalties, etc., other than real estate.
Master Limited Partnership (MLP)	Type of limited partnership that is publicly traded and derives most (~90%) of its cash flows from real estate, natural resources and commodities.

Steps to Retirement Success

Step 1 - Determining Cash flow (honestly)

The first step to creating that retirement portfolio does not involve analyzing various investment options at all. In fact, as individuals near retirement, they should take a good look in the mirror (and at their bank and credit card statements) and determine just how much money they are spending each month, each year. What do their utility and cable bills look like? How often do they restock the fridge from the grocery store or do they prefer dining out? Do they have a mortgage or pay rent? Are they still supporting children (or perhaps even parents)? Are they big gift buyers or do they save for a high caliber vacation once or twice a year? Where does charity fit in?

Retirees should also differentiate between basic survival and quality of life…the needs vs. the wants. Once survival is taken care of, they can begin to consider improving their quality of life for now and forever. No one wants to go backwards and folks should always strives to be improving their stations in life, especially in retirement. For some, a second career may beckon (Colonel Sanders started Kentucky Fried Chicken as a retirement gig to supplement social security). Since that "secret blend of 11 herbs and spices" has already been discovered, many investors must make do with what they have accumulated during the working years and a quality investment plan.

Bear in mind, once retirement hits, the old expenses may change somewhat. The retiree may not need that work wardrobe anymore or have those daily commuting and parking expenses, but green fees at the golf course or memberships to the yoga studio may offset some of those expenses that go away. Most people dread budgeting and put off balancing their checkbooks as long as possible (if ever). While many understood that their salaries would cover their expenses during their working days, they now must get a better feel for their outlays to allocate their portfolios in such a way that the investment cash flow can replace their work paychecks. Sadly, most people have no idea about their true cash flow needs and this initial step requires an honest assessment of their monthly and annual expenses.

Step 2 - And Don't Forget Taxes

For some, taxes were a mere oft-forgotten line item in their paystubs and not something they considered when devising budgets and calculating expenses. Others made estimated payments a few times a year and made sure to save up for April 15th when the taxman cometh. No honest assessment of cash flow can be made without a careful consideration of taxes. Actual expenses require after-tax dollars to meet them. Granted, for many, the tax situation may change in retirement once the traditional work paycheck ends. A trusted CPA or financial advisor typically can help determine true after-tax cash flow needs.

Step 3 - Establish a Cash Reserve

Some call it a rainy day fund; to others, it's an emergency fund. Preferred terminology aside, all retirees should invest one year's worth of expenses in short-term money market accounts and/or CDs or treasury bills maturing over the course of the next 12 months. The securities should be allocated as a quarterly ladder and are used to cover monthly expenses and those other costs that arise on a periodic basis like vacations, charity, home improvements, etc. Each quarter, some of the securities will mature into the money market account to cover cash flow needs. The CDs and treasuries will produce some interest (not much in the low interest rate environment), but a solid cash reserve to pay bills is more the goal here. The investor is essentially taking the least amount of risk possible in this liquidity portion of the portfolio.

Folks should already be familiar with this concept from their working years. Financial planners have long advised a safety net equating to three- to six-month's worth of expenses in case of a job loss, an illness, or a major unexpected expenditure. Additionally, the work paycheck served to enhance the liquidity portfolio as it enabled individuals to cover the short-term cash flow needs. Hopefully, investors were able to stash away a portion of those paychecks in other growth and income securities to accumulate in retirement accounts over their working years. Once retirement becomes a reality, the financial assets must take over entirely and the 12-month cash reserve represents a good starting point to cover liquidity (and unexpected) needs.

Step 4 – Purchase One Year's Worth of Expenses in Fixed Income Annually To Weather Unexpected Storms

What goes up must come down. Markets correct; always have; always will. Unfortunately, the exact timing of such corrections is always the great unknown. Investors in dot.coms thought those Internet stocks would be "sure things" forever. They were wrong. Prior to 2007, few people saw the housing bubble coming and many got caught with excess risk in their overall portfolios. *What goes down eventually comes back up* (hopefully). Fortunately, younger investors have enjoyed the luxury of time (and a work paycheck to cover short-term cash flow needs) and have watched many of the losses in their portfolios disappear as valuations increased in the years that followed the painful downturns. Those who did not panic and were able to weather the storms have eventually reaped the rewards of patience and persistence (and perhaps some luck).

Unfortunately, many retirees do not have that luxury of time. Without a work paycheck to make up for investment losses, they would have difficulty covering expenses, while watching that portfolio balance dissipate over time. While they may realize the downturns are temporary, a one-, two, three-year period of declining valuations can put a huge damper of their qualities of life and cost them quite a few sleepless nights. Here is where fixed income fits nicely into an investment portfolio.

Despite all the reason given above for disavowing fixed income, retires should create a second "safety" portfolio to protect against the unexpected downturn in riskier markets (like equities). Once again, the portfolio should consist of a few years' worth of expenses invested in traditional fixed income securities; it should take the form of a 'ladder' that is built out for as many years as they believe warranted to weather any unexpected storms and provide much-needed insurance. As the years pass, the shortest treasuries mature into the cash reserves and the proceeds are used to buy CDs (market markets). Additionally, cashflow from other longer-term allocations in the total return portfolio (see below) will be amassed annually to buy bonds at the end of the maturity schedule to keep the ladder intact.

Because no two investors are created equal, the durations and sizes of these portfolios will differ based on individual tolerances for risk and annual budget needs. For some, a five year timeframe (four additional years beyond the cash reserves) may be required and they will be buying treasuries with one-, two-, three, and four-year maturities. For other who are better able to accept more risk, a shorter-term laddered portfolio of say two additional years (beyond the cash reserves) may be enough keep them sleeping comfortably through the nights. Bear in mind, investors may be giving up significant growth potential in their portfolios by allocating a few years' worth of expenses to traditional fixed income. Then again, the risk is far too great to suffer through sizable losses at a time when no work paychecks or other capital infusions are making up for those portfolio declines.

Step 5 – Excess Investment Capital Invested into "Income and Growth" (Total Return)

The initial goal for the retiree is to create portfolios to cover their specific liquidity needs, provide insurance for those unexpected downturns, and effectively remove market risk out of the equation for the next few years. Once that goal has been accomplished, investors can turn their attention to constructing their primary portfolios with a total return objective to help meet their qualities of life for many years in the future. (After all, demographic trends show that folks are living longer and staying more active these days.) The objective at this point is to generate an increasing stream of income that, when added to the interest payments from the fixed income portfolio, will meet (and may even exceed) the annual cash flow needs.

Dividend paying stocks, REITs, Master Limited Partnerships, asset-based securities…these securities and others could be included in the total return portfolio and offer both growth and income opportunities to the investor. As interest, dividends, and other distributions are made, they will be combined with the interest from the traditional fixed income securities to keep that ladder going in the "safety" portfolio as the years pass. In other words, all the cashflow generated from the various investments (CDs, fixed income, total return) should equate to at least one year's worth of expenses and will be used to purchase bonds of the longest maturity in the laddered portfolio.

Because only the cash flow earned from the investments is needed to cover living expenses, the principal value of that total return portfolio is not touched and will hopefully grow each year and pay out even greater distributions over time. Any distributions that are accumulated in addition to annual cash flow needs could serve to increase the prior budget and add to the quality of life of the retiree.

Optional Step 6 – For Investors with Higher Tolerance for Principal Volatility

Once the basic cash flow needs are covered, and perhaps the annual budget has been increased to enhance the retiree's quality of life, the less risk-averse investor may choose to allocate excess distributions into more speculative, rather high growth, investments. Should the investors meet the financial qualifications for hedge funds, private equity, etc., they may have the opportunity to earn even higher returns and eventually increase the quality of their lives for many years to come. As always, the perceived risk/reward scenarios of these investments should be closely evaluated to ensure that they are appropriate for inclusion in the portfolios in question.

Of course, investors should not put anything in such investments that could impact their current life styles and, most advisors would recommend limiting the allocation within this high growth portfolio to 5% to 10% of overall assets. For some, a small allocation to high growth can increase the likelihood of financial independence forever and perhaps even create opportunities for generational wealth for children, grandchildren, and/or charities.

Summary of Steps to Retirement Success	
Step 1	Determining Cash flow (honestly)
Step 2	And Don't Forget Taxes
Step 3	Establish a Cash Reserve
Step 4	Purchase One Year's Worth of Expenses in Fixed Income Annually for several years To Weather Unexpected Storms
Step 5	Excess Investment Capital Invested into "Income and Growth" (Total Return)
Step 6 (optional)	For Investors with Higher Tolerance for Principal Volatility

Hypothetical Retirement Portfolio Example

Annual Expenses	$100,000
Overall Portfolio Assets	$1,800,000

Portfolio	Rate of Return	Principal	Interest/Distribution
Cash Reserves (CDs)	1.25%	100,000	1,250
Laddered Portfolio (FI)			
Year 2	2.25%	100,000	2,250
Year 3	2.50%	100,000	2,500
Year 4	2.75%	100,000	2,750
Total Return Portfolio	6.50%	1,400,000	91,250
Total Interest/Distribution			$100,000

- A couple has assets worth $1,800,000 at retirement and annual expenses totaling $100,000.
- They invest one year's worth of expenses into a liquidity portfolio for cash reserves and earn a nominal rate from money market and CDs.
- They create a laddered fixed income portfolio for the next three years to provide insurance against a downturn in the market.
- The remainder (majority) of the assets are allocated into a "growth and income" total return portfolio with annual distributions at an approximate 6.5% rate (achievable based on past performance but not guaranteed*).
- The combined interest (from CDs and fixed income) and distribution (total return portfolio) will cover the annual expenses so the principal is not touched and will, in fact, grow under favorable market conditions.
- The combined distribution will be used to purchase securities for the last year of the fixed income ladder annually.
- Should rates increase and the distributions exceed $100,000, the couple can increase their annual cash flow and quality of life.
- As assets continue to accumulate, the couple may consider investing a small percentage into higher growth investments.

* *The above hypothetical example is merely illustrative in nature and not representative of any specific investors or portfolio investments. The estimated yields and rates of returns of the various investments and the portfolio as a whole are again merely shown to describe the investment strategy and to quantify approximate results using hypothetical securities and past historical expectations. Past performance is not a guarantee of future performance. The information set forth was obtained from sources which we believe reliable, but we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation of the purchase or sale of any securities.*

The Psychology Cycle of Most Investors

Often times, the mindset of the investor is exactly the opposite of what it should be, and many financial professionals end up playing the role of a therapist as much as an advisor. When markets are soaring with no end in sight, few choose to take profits, rebalance assets, or worry about corrections. Instead, many investors often become giddy, greedy, and eagerly seek out the latest surefire tip-of-the-day from that "brilliant" colleague in the next office cubicle. Conversely, when markets are on the decline and naysaying financial bloggers, TV pundits, and those pessimistic colleagues in the next work cubicle are scaring them with "doom and gloom" scenarios and worse case prognostications, some often grow fearful, panic, and sell at the lows.

Advisors constantly warn clients to take their emotions out of the equation and stick to a disciplined approach of asset allocation in meeting their short- and long-term objectives. They attempt to manage their clients' expectations and emotions, and convey logical, professional thought to their investment decisions. But in this era of a 24-hour news-cycle with excessive information (often misinformation), day trading, and do-it-yourself analysis, investors often find themselves on the wrong end of the market cycle (and the advisor must be there to pick up the pieces).

Similarly, the mindset of the retiree can also lead to some poor allocation decisions for their twilight years. Many of the "old" formulas simply do not seem rational as the low level of interest earned and the subsequent expected returns on traditional fixed income these days may not support the lifestyles for many healthy, active, and longer living retirees. Instead, fixed income should be perceived today as the investment of choice for liquidity purposes, the safety net that allows investors the time to weather any unexpected storm that may creep up in the markets. And once that portion of the portfolio has been met, the retirees should have that peace of mind that comes in knowing they can survive any short-term bumps along the road. At that point, the potentially, higher yielding investments that are expected to provide the needed distributions to meet (and hopefully exceed) their cashflow requirements should be considered and they will (hopefully) prove more successful over the longer-term duration of retirement.

This retirement allocation is not a trading strategy that changes minute-by-minute by some form of robo-investing. Instead it is expected to become a long-term all-weather strategy that allows investors to build customized portfolios based on their cashflow needs and risk tolerance. At some point as rates rise, fixed income may become a more prominent allocation within the retirement portfolio. But in today's environment, the higher distributions and growth potential derived from certain dividend paying stocks, REITs, and other income producing investments could prove very beneficial for those 10,000 baby boomers who are retiring every day.

Sites Used:
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http://en.wikipedia.org/wiki/Life_expectancy (life expectancy)
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