

Retirement Planning

Resting from work

The opportunity for the middle class to "retire" at a specific age, due to having accumulated enough wealth to last until death, is a relatively new phenomena historically, and one limited primarily to the developed nations of Europe, Scandinavia, and North America.

God speaks about an eternal "rest."

There remains therefore a Sabbath rest for the people of God. For the one who has entered His rest has himself also rested from his works, as God did from His. Let us therefore be diligent to enter that rest, lest anyone fall through following the same example of disobedience. Hebrews 4:9-11, (quotations are from the NIV).

Then I heard a voice from heaven say, "Write: Blessed are the dead who die in the Lord from now on." 'Yes,' says the Spirit, 'They will rest from their labor, for their deeds will follow them.'" Rev. 14:13

A day of rest per week was commanded by the Lord under the Old Testament: "For six days work is to be done, but the seventh day is a Sabbath of rest, holy to the Lord. Whoever does any work on the Sabbath day must be put to death." Exodus 31:15

The only example of classic retirement is found in Numbers 8:25-26a

But at the age of fifty, they [Levites] must retire from their regular service and work no longer. They may assist their brothers in performing their duties at the Tent of Meeting, but they themselves must not do the work.

This is probably due to physical depletion caused by 25 years' of hard physical labor dealing with sacrifices (Dale Linebaugh). The Levites then became mentors!

Retirement: "Eat, drink and be merry?"

On the other side of the ledger, Jesus gives this caution:

The ground of a certain rich man produced a good crop. He thought to himself, 'What shall I do? I have no place to store my crops.' "Then he said, 'This is what I'll do. I will tear down my barns and build bigger ones, and there I will store all my grain and my goods. And I'll say to myself, "You have plenty of good things laid up for many years. Take life easy; eat, drink and be merry."' But God said to him, 'You fool!. This very night your life will be demanded from you. Then who will get what you have prepared for yourself?' "This is how it will be with anyone who stores up things for himself but is not rich toward God. Luke 12:16-21.

This is hoarding and hedonism, neither of which find refuge in Scripture. So the most important retirement planning is making sure that we are rich toward God, and children of God (John 1:12). While none can purchase a way into heaven by giving (everything already belongs to God--Rom. 11:35-36), nevertheless giving to the poor is the equivalent of giving to the Lord (Prov. 19:17). The comparatively wealthy are to be "rich" in good

deeds (1 Tim. 6:18), including generosity. If your income is at least \$10,000 USD, you are in the uppermost 9% of the world's population, and are thereby "rich" (D. Barrett, G. Kurian, & T. Johnson, eds., *World Christian Encyclopedia*, 2001, p. 1:6). The rich actually have the liability of riches with regard to heaven:

How hard it is for the rich to enter the kingdom of God! Indeed, it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God. (Luke 18:24-25).

From a Christian perspective, trying to get rich for retirement is a dangerous course. "Rich" is a comparative term. Compared to most Africans, virtually every American is rich. Compared with millionaires and upscale gated communities, the same American is poor.

So why even think about retirement?

Even Jesus told the Twelve to carry extras as the point of His leaving them (Luke 22:36). The ant is a timeless example of the prudence of saving for winter (Prov. 6:6-8). Ecclesiastes 12 is the poetry of debilitating degeneration with age—the winter of life, if there was any doubt. Since Americans at birth live an average of 77.8 years (2006, 75--males, 80.8--females, <https://www.cia.gov/cia/publications/factbook/geos/us.html> , accessed 2/28/07), obviously we must prepare to live during times of little or no earned income. So, "The prudent see danger and take refuge, but the simple keep going and suffer for it." (Proverbs 27:12). The Internal Revenue Service expects someone who is retiring at age 67 to live another 19.4 years (<http://www.irs.gov/pub/irs-pdf/p590.pdf> , p. 85, accessed 2/28/07) !

Austin Pryor writes that Baby Boomers are the wealthiest generation in US history (*Sound Mind Investing*, 1996, ISBN: 0-8024-7947-2). The average Social Security payment in 2007 for all retired workers is about \$12,500 per person per year, according to the Social Security Administration (www.ssa.gov query "average social security payment" accessed 2/28/07).

We should not rely upon Social Security to take care of all our retirement needs. It is currently due to go bankrupt in 2041 (<http://www.ssab.gov/documents/advisoryboardmemo--2005tr--08102005.pdf>, accessed 2/28/07). In 2006 there was one retiree per 3.3 workers, but by 2032, there will be one retiree per 2.1 workers (<http://www.ssa.gov/pubs/10055.html> accessed 2/28/07). Some financial planners assert that 60-80% of pre-retirement income is needed to maintain the same standard of living. The great majority of our health care costs will occur later in life, so those costs will be typically higher.

Retirement Strategies

The first thing to remember for a Christian is that God will never leave or forsake us (Heb. 13:5). If we seek first God and His kingdom, our basic needs will be met. It is a sin to *worry* about the future, but prudent to plan (Matt. 6:30-34; Prov. 3:5-6).

Comprehensive retirement planning education can be obtained online from many excellent websites, such as Yahoo! Finance (<http://planning.yahoo.com/> , accessed 2/28/07). Money.com has its "Money 101" section of sequential lessons, including those upon investing and retirement (<http://money.cnn.com/pf/101/> accessed 2/28/07). The Vanguard family of no-load funds

has a web page with links to retirement planning:

(<http://flagship5.vanguard.com/web/planret/PTRetireCenterOV.html> accessed 2/28/07).

Burkett categorized three financial "seasons." The "Spring season" from 20-40 is when a couple would get out of all consumer and mortgage debt. The "Summer season" is when college education is paid for, together with any remaining debts and when a surplus is accumulated for retirement. The "Fall season" of 60+ is a transition time from accumulation to preservation of income (Larry Burkett, 1992, *Planning for retirement*, Chicago: Moody Press, pp. 61-64). A large unknown in calculating how much money needs to be saved is inflation (p. 34). Burkett advised *against* putting all your retirement savings into *tax-sheltered* retirement plans (IRAs, including Simplified Employee Pension plans and Roth IRAs, p. 35). He advised investing 10% of net income into non-tax-sheltered long range investments, because politicians may find a way to get to IRA accounts to fund Social Security. He advocated owning your home as the first building block for retirement. Taking out a home equity loan is almost always unwise. A Christian should approach the time of life when s/he no longer has significant earned income with carefully, and prayer planning, but without fear. All of life requires decisions juxtaposing present gratification with future needs. God can give wisdom to either spend or save at any juncture, particularly because He alone knows exactly what we'll need (James 1:5). The best retirement calculators are clumsy by comparison to what He knows.

Additional retirement websites of interest*:

<http://www.choosetosave.org/ballpark/index.cfm?fa=interactive> "Ballpark Estimate"
online interactive retirement calculator--an excellent resource

<http://ssa.gov/OACT/quickcalc/> Social Security Administration's retirement
quick calculator

<http://www.choosetosave.org/> Free online financial calculators for budgeting, saving,
credit cards, Social Security benefits, college savings, paying off debt, life
insurance, retirement, etc.

<http://www.psca.org/> 401 (k) site

<http://www.ssa.gov/> & <http://www.socialsecurity.gov/> Social Security
Administration sites

http://www.soundmindinvesting.com/topics/s_retirement.htm Austin Pryor, Christian
investment counselor, has a great site, including retirement information:

<http://www.estateattorney.com/> Estate tax, elder law, financial planning by an
attorney

Check various search engines under "retirement."

*weblinks valid as of 2/28/07

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