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C O U N S E L L O R S A T L A W

Credit Card debt Crippling Retirement?

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Oftentimes the oldest generation of Americans are seen as the most frugal - they experienced the Great Depression, they abhor debt, they saved their pennies, and while they may now be living off of social security, at least they don't owe anyone money.

A New York Time blog post in The New Old Age challenges that picture today in the posting "Retirements Swallowed by Debt". There are some bleak statistics in the article:

Growing numbers of elderly want or need jobs

30% of workers over 55 have more credit card debt than retirement savings

Average credit card debt for those 65 and older is \$10,235

I think the critical take away from the article is how children seem to stumble across the problem as a surprise - not an issue being candidly discussed. I know my clients often hide the debt, embarrassed by the situation. Their kids are then shocked when not only are they dealing with a health care situation (which is what typically brings them into looking at the finances), but also a money management situation.

The solution - communication. I am not advocating that anyone who is retired turn over their finances. However, I think **the question every once in a while to mom and dad "are you doing OK financially - is there any way I can help" can open the door to talking about issues before they become problems.**

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