

MORTGAGES NO LONGER A STIGMA IN RETIREMENT, BELL INVESTMENT ADVISORS SURVEY REVEALS

*Affluent Boomers Stay in Work Force for Personal Rewards
Many Will Never Pay Off their Mortgages*

Oakland, California—(June 10, 2008)—The generation that invented Rock N' Roll is in no rush to pay off their mortgages – or leave the workforce any time soon, according to the third annual Affluent Boomers at 60 survey from Bell Investment Advisors.

Reflecting a massive change from the prior generation when a major goal of retirement was to “burn the mortgage,” more than 55 percent of boomers surveyed who currently hold mortgages do not plan to pay their mortgages off until their 70s, if ever. This trend was most pronounced in the Western US, where 31 percent of those with mortgages do not ever intend to pay them off, compared with 25 percent in the South, 18 percent in the Midwest and 11 percent in the Northeast. Of the 500 boomers surveyed approximately two-thirds currently have mortgages on their residences. The remaining third either rent or do not have a mortgage.

“Contrary to conventional wisdom, mortgages can actually be a wealth-building tool for boomers throughout their retirement years,” says Jim Bell, founder and president of Bell Investment Advisors. “In addition to their tax benefits, mortgages help free up funds that otherwise would be tied up in property ownership for investment in equities,” he continued. According to Bell, investment in equities throughout a lifetime is the surest path to wealth creation. These findings, announced today, were the second series of reports from Bell based on this survey of high-net-worth individuals who turn 60 this year.

Personal Rewards Outrank Economic Rewards as Reason to Work

More than three quarters (76%) of boomers surveyed who are still working plan to continue working after age 62, the age when they are eligible to receive Social Security. A remarkable 40 percent plan to continue working into their 70s. For those who will continue working past age 62, the major reason cited (72%) to continue working was for the “intellectual and social stimulation” work provides, followed by the goal of maintaining standard of living at 51 percent and to avoid tapping into savings at 41 percent. The pattern was the same for those planning to work into their 70s, with three quarters

planning to keep working for intellectual and social stimulation and 39 percent to maintain their standard of living.

“Economics are not the primary reason these affluent boomers are continuing to work,” Bell said. “Boomers still have a lot left to do. They are reaching the highest level in their careers, making more money, teaching and training the newer members of our workforce—work provides satisfactions well beyond their need for income,” Bell said.

Of those taking the survey, 29 percent describe themselves as being retired in the conventional sense, while 71 percent are still employed. Of those currently working, the largest number or nearly a quarter (23%) hope to work as long as they are able to, followed by 20 percent who plan to gradually scale back; another 20 percent who plan to pursue personal interests and passions, and 18 percent to work part-time, with six percent exploring alternative careers.

Asked about their number one career goal over the next five years, most boomers (53%) will continue doing their current work until they retire, while a quarter of boomers are seeking continued growth in their current careers. Only 10 percent cite “to stop working” as a goal. “These findings underscore the need for life-long learning and career planning even into your 60s,” said Bonnie Bell, a career planner with the firm.

Private Investment Accounts Fund Retirements

Asked what the principal source of funding for retirement is, the largest number of boomers (31%) cited investments outside of a retirement plan as the “principal” source that will fund their retirement. “This finding supports the importance of maintaining a robust personal investment plan throughout a lifetime,” says Jim Bell. “To have a comfortable retirement, this generation must augment traditional tax-deferred retirement savings plans and pensions, with their own investment plan--- ideally by utilizing a healthy mix of equity investments.”

Boomers ranked the “principal” source of retirement funding as:

- Investments outside of a retirement plan: 31%
- Pension plan: 23%
- Company-sponsored plans such as 401(k): 19%
- Individual Retirement Account (IRA): 17%

- Social Security: 4%

Survey Methodology

The *Affluent Boomer Survey* was conducted by Opinion Research Corporation from April 1-6, 2008, among a random sample of 500 adults comprised of 250 men and 250 women who were born in 1948 and have investible assets of \$1million or more.

Bell Investment Advisors offers investment management, comprehensive financial planning, and career/life planning services to help investors plan and achieve their personal and retirement goals. The firm manages more than \$500 million for its more than 650 clients. In 2007, Bell Investment Advisors was named one of the Bay Area's 100 Fastest Growing Privately Held Businesses by the San Francisco Business Times for the fourth year in a row. To learn more about the firm and its new Bell Worldwide Trends Fund, go to www.bellinvest.com

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