



Tapping Home Equity for Retirement: Will it Save the Baby Boomers?

Sandra Timmermann, Ed.D.
Vice President & Director
MetLife Mature Market Institute

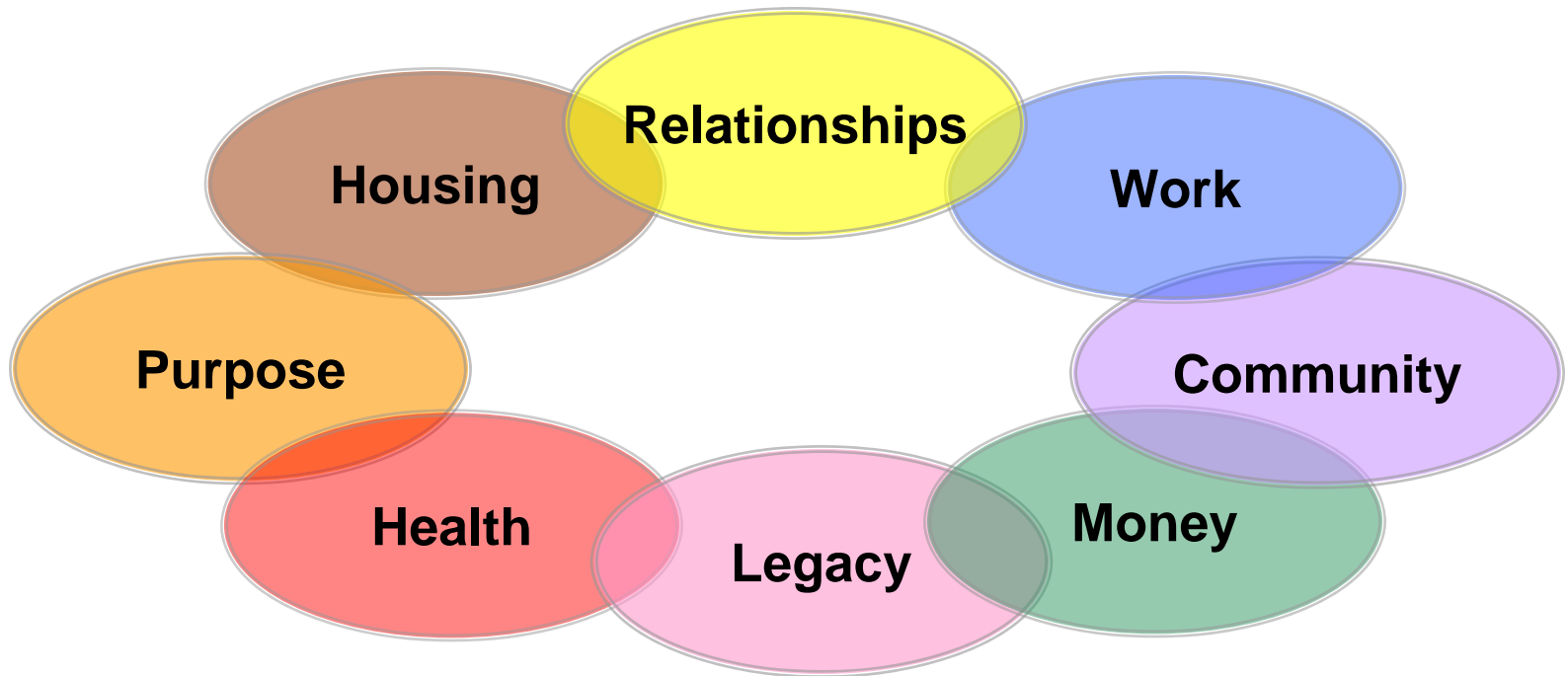
NRMLA 2011 Annual Meeting & Expo
Boston, MA

October 26, 2011

MetLife
Mature Market
INSTITUTE

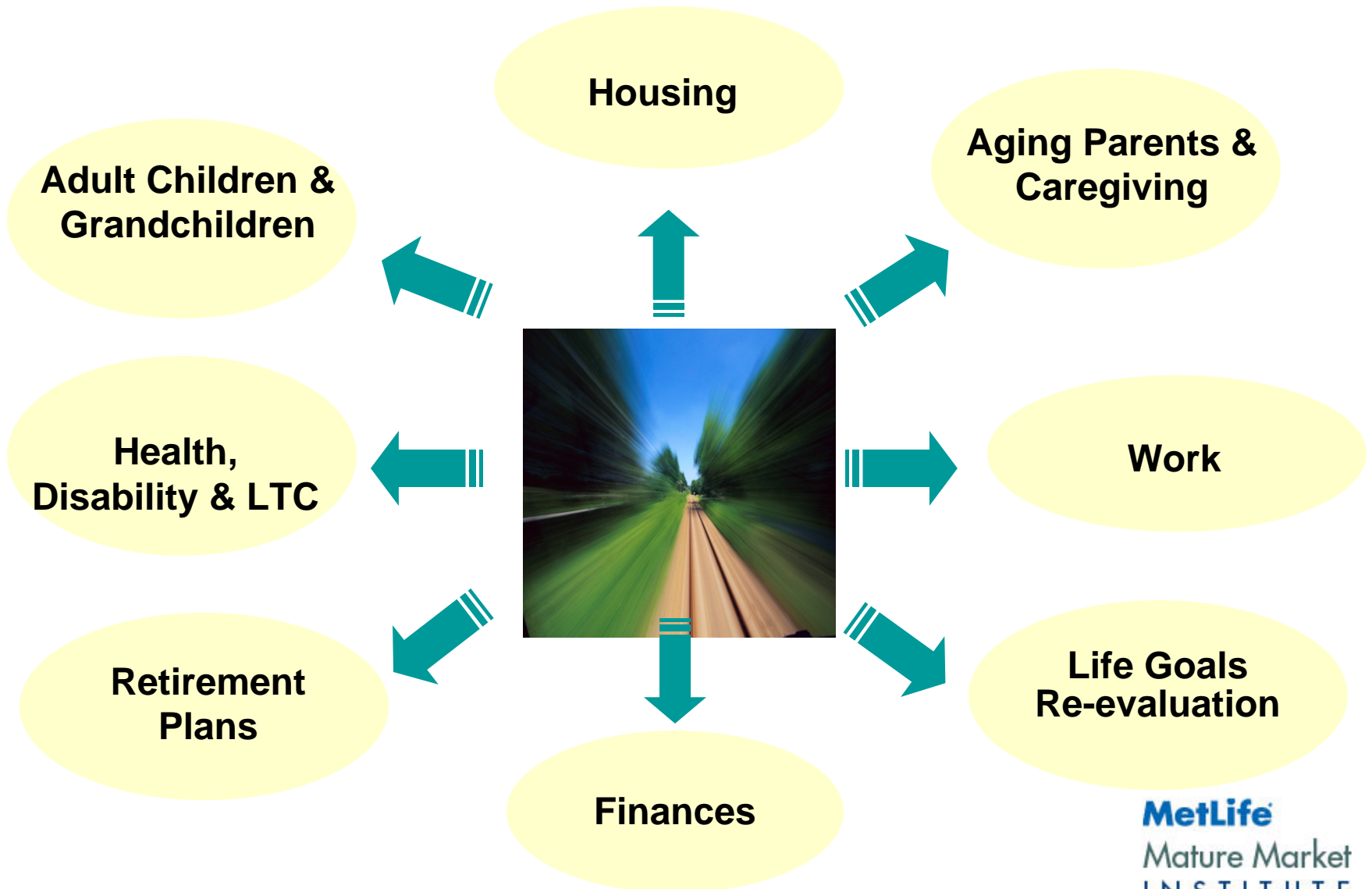
MetLife
Mature Market
INSTITUTE

A Holistic Approach to Aging and Retirement



Source: MMI's 8 Lifestyle Dimensions

Life Transitions and the 60+ Market



People Need Help

© Cartoonbank.com

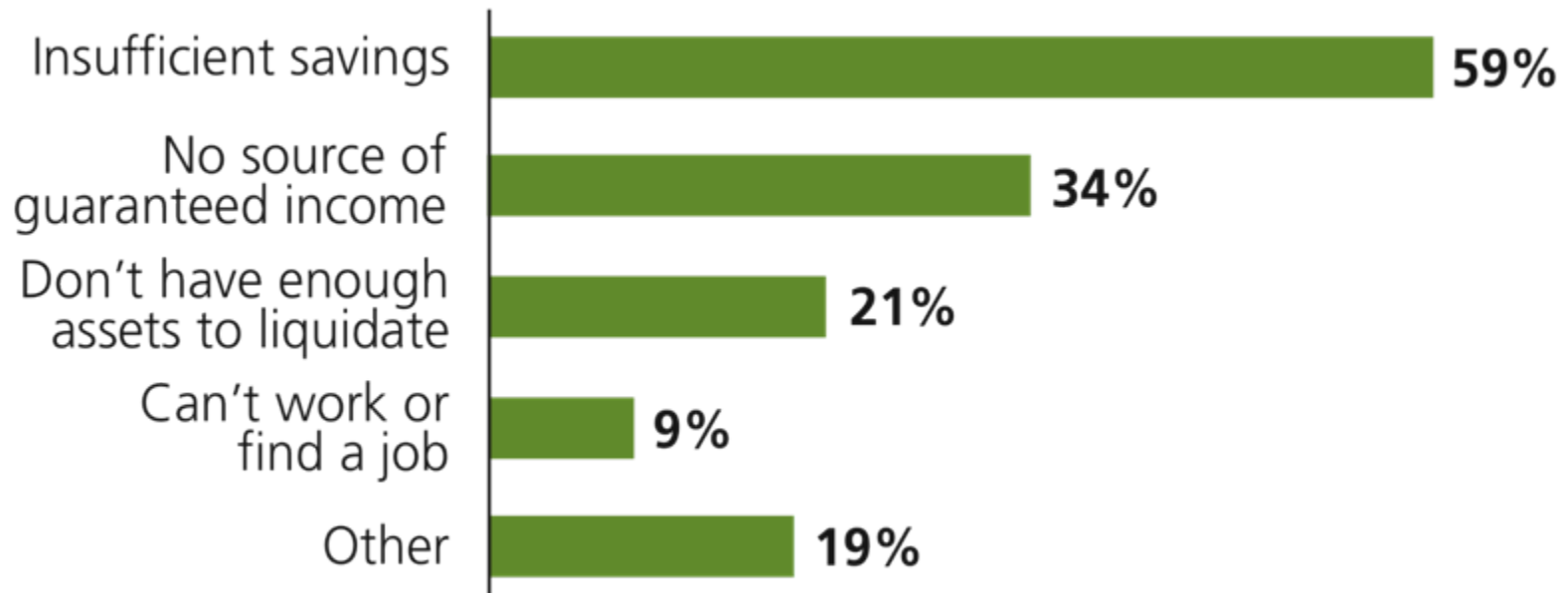


“If we take a late retirement and an early death, we’ll just squeak by.”

**“If we take a late retirement and an early death,
we’ll just squeak by.”**

MetLife
Mature Market
INSTITUTE

Few Feel Confident About Money in Retirement



Source: *Best-Case Strategies for a Flexible Retirement*, MetLife Mature Market Institute, 2011

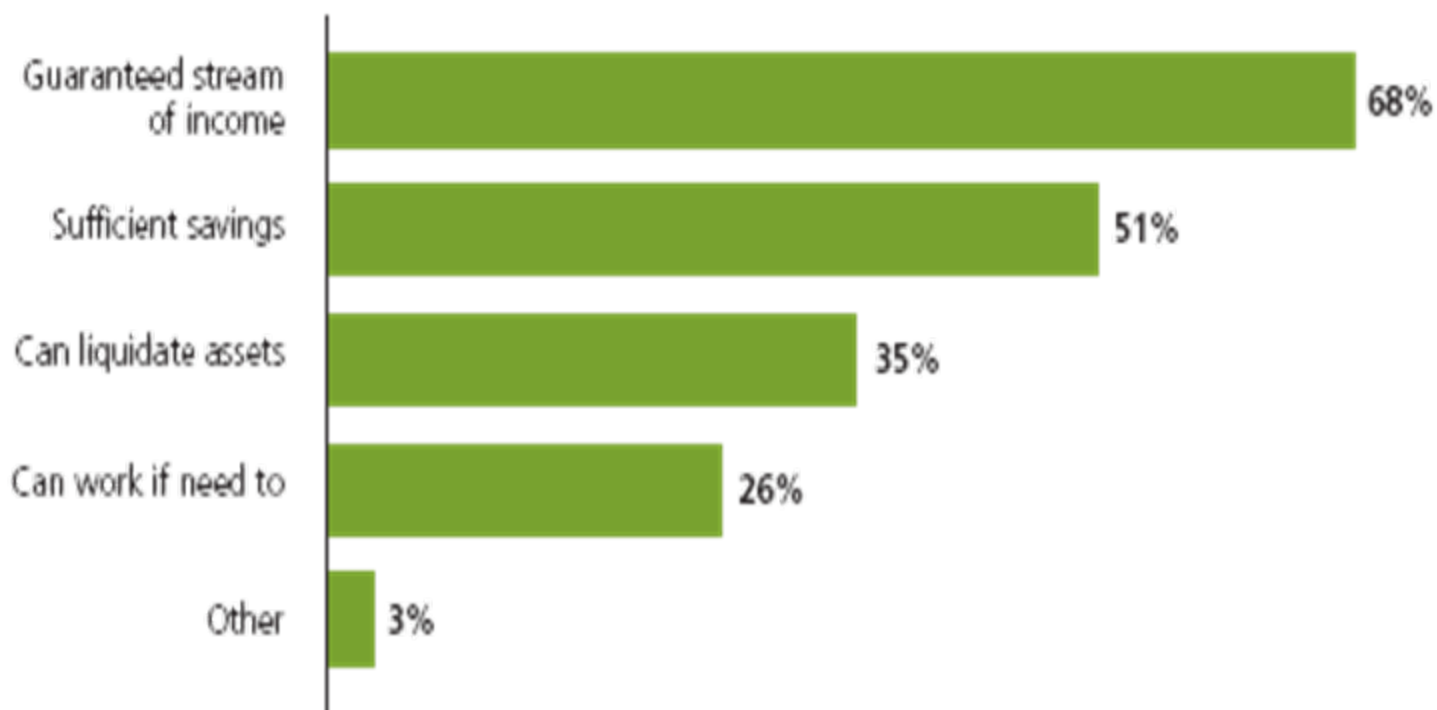
Worry, Worry, Worry

Women – More Concerned than Men

- 71% (vs. 62% of men) concerned about being able to afford health care
- 71% (vs. 63% of men) concerned about providing for their own or their spouses' long-term care
- 54% (vs. 44% of men) concerned about outliving retirement income

And for Those Who are Confident...

Reasons for Feeling Confident in Having Enough Money to Live Comfortably in Retirement



Source: *Best-Case Strategies for a Flexible Retirement*, MetLife Mature Market Institute, 2011

Tapping Home Equity – a Boomer Solution?

Boomers (Age 62-64) Are Becoming Interested in Reverse Mortgages

Age Group	FIT Review 2010	AARP Survey 2006	HUD Borrowers 1999
62-64	21%	6%	6%
65-69	25%	17%	17%
70-74	21%	24%	28%
75-79	16%	26%	24%
80-84	9%	17%	14%
85 and older	7%	8%	11%
Total	99%	98%	100%
Missing	1%	2%	0%
N	21,240	1,509	30,226

Source: *The MetLife Study of How Aging Homeowners Use Reverse Mortgages*, MetLife Mature Market Institute (to be released in 2012)

Consumer Attitudes are Shifting

- Average age of reverse mortgage prospective borrowers is declining – now 71.5 years old
- Boomers (age 62 – 64) are entering the market – represent one in five prospective borrowers.
- Most of the prospective younger borrowers want to lower household debt – 67%.
- Two-thirds have a conventional mortgage that needs to be repaid – two-thirds

Boomers at Age 62 More Aware of Reverse Mortgages

<i>Boomers at age 62</i>	Male	Female
Aware that eligible for a reverse mortgage at age 62	74%	74%
Would consider a reverse mortgage	14%	17%

- Men and women are equally aware that they are eligible at age 62
- Slightly more of the women would consider a reverse mortgage

Awareness Varies by Household Net Worth

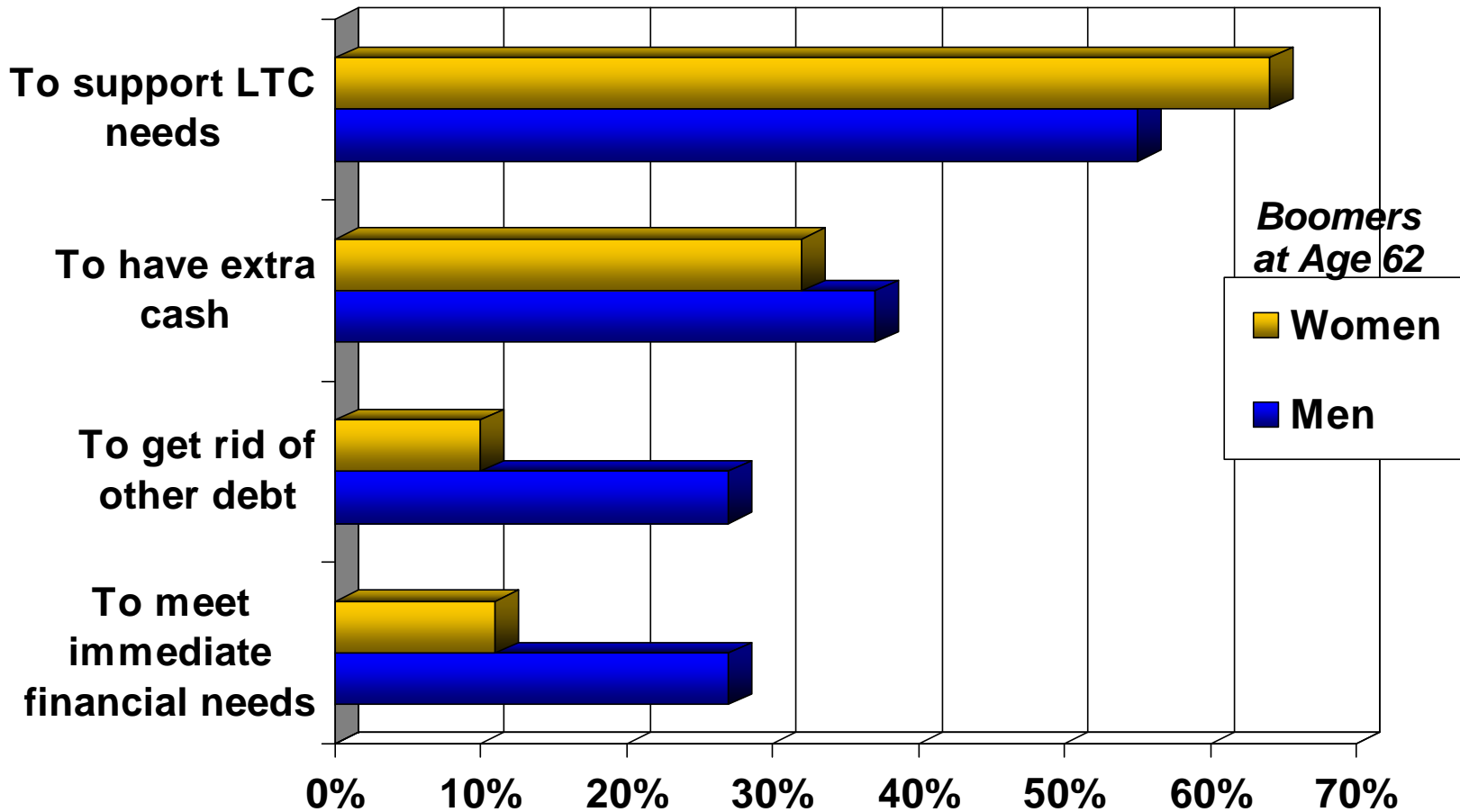
<i>Boomers at Age 62</i>	<\$50K	\$51-100K	\$100-250K	\$250-500K	\$500K +
Aware that eligible for a reverse mortgage at age 62	63%	75%	73%	78%	81%
Would consider a reverse mortgage	18%	20%	28%	18%	7%

- Less of those <\$50K net worth are aware that they are eligible at age 62
- More of those with \$100-250K net worth would consider one

Source: MetLife Mature Market Institute Analysis

Long-Term Care Needs Top of Mind

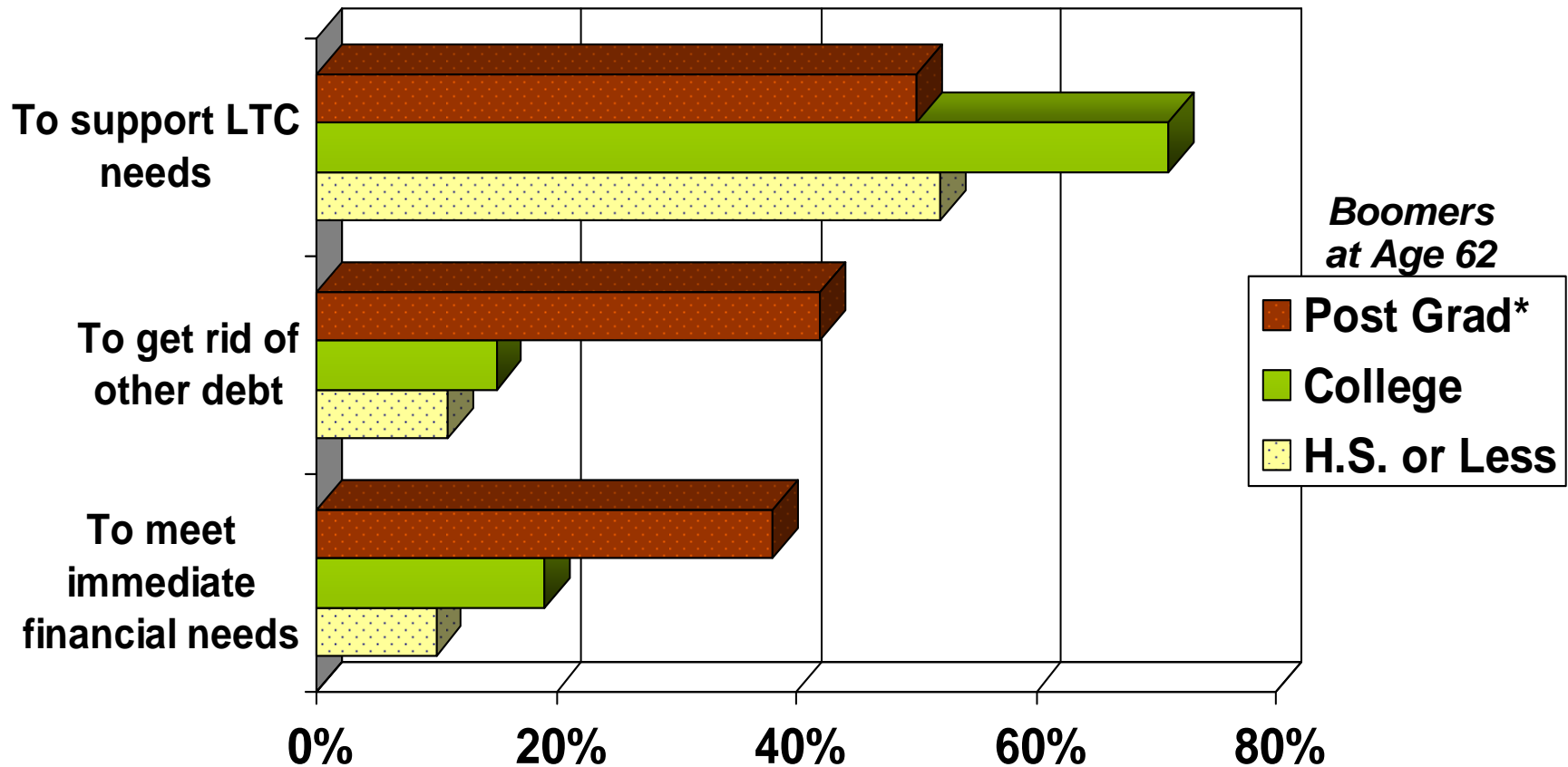
Reasons for Considering a Reverse Mortgage



Source: MetLife Mature Market Institute Analysis

Especially Among College Graduates

Reasons for Considering a Reverse Mortgage

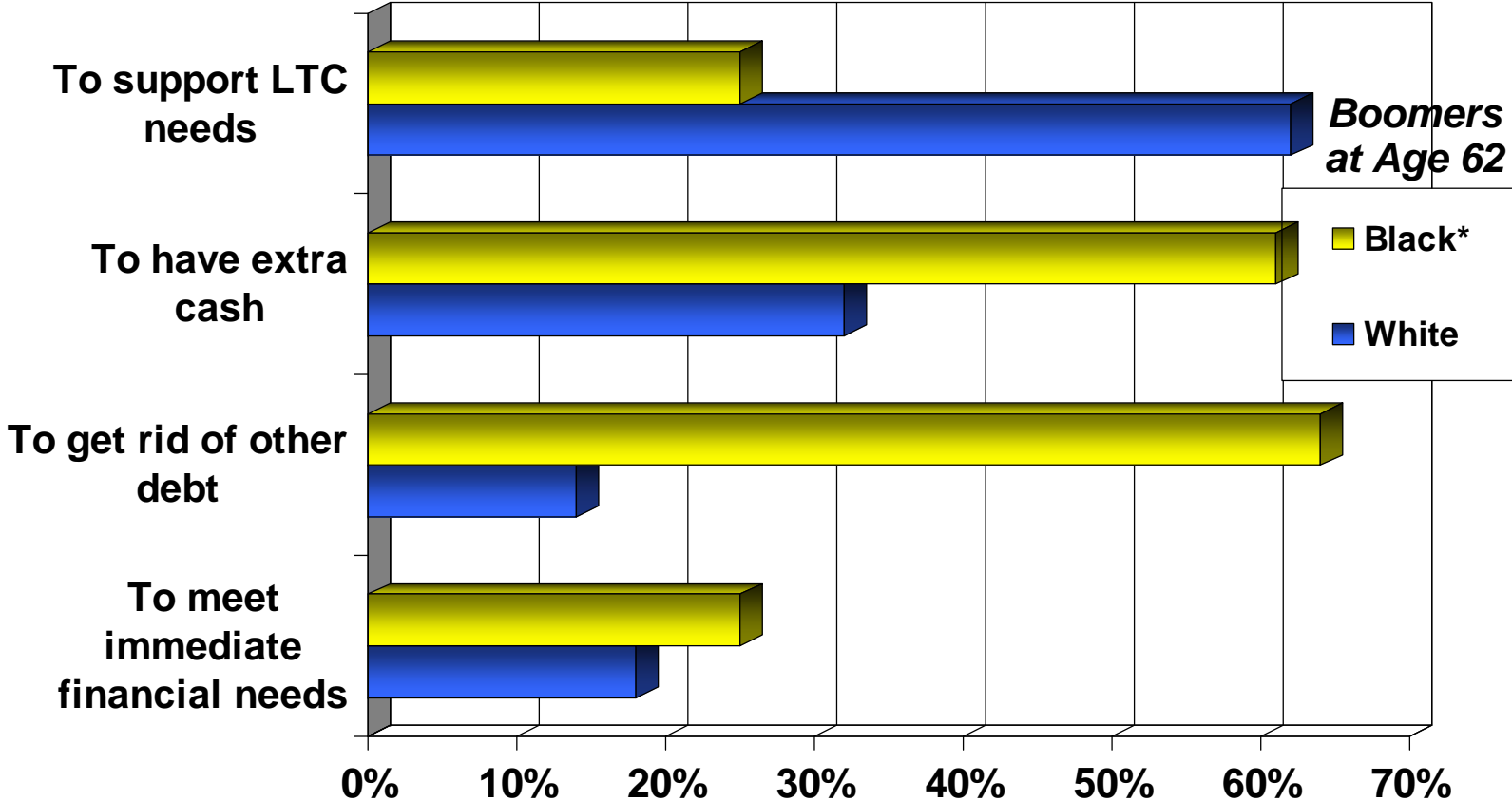


* Small sample

Source: MetLife Mature Market Institute Analysis

Different Ethnicities Have Views

Reasons for Considering a Reverse Mortgage

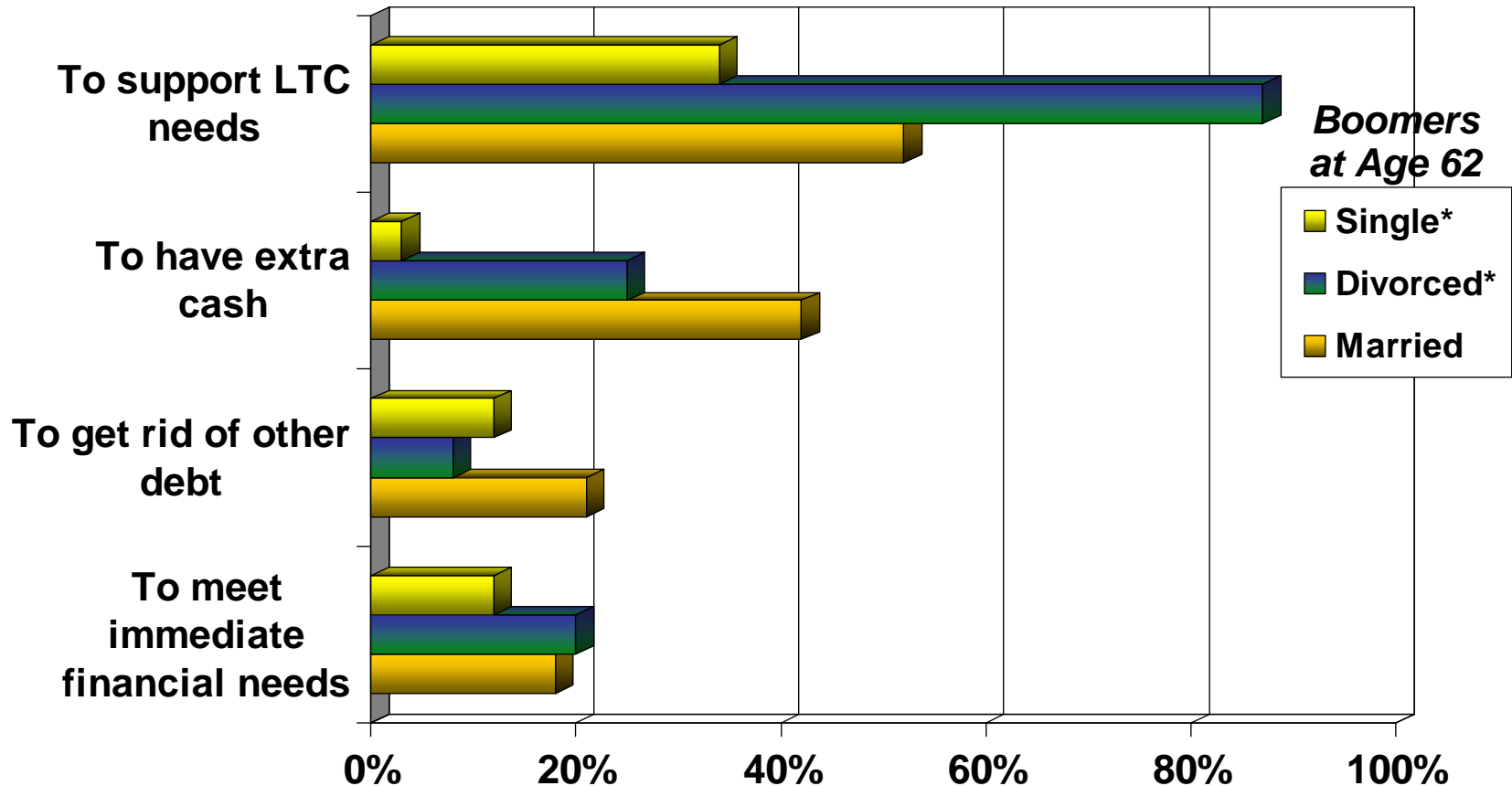


* Small sample

Source: MetLife Mature Market Institute Analysis

Marital Status Plays a Role Too

Reasons for Considering a Reverse Mortgage

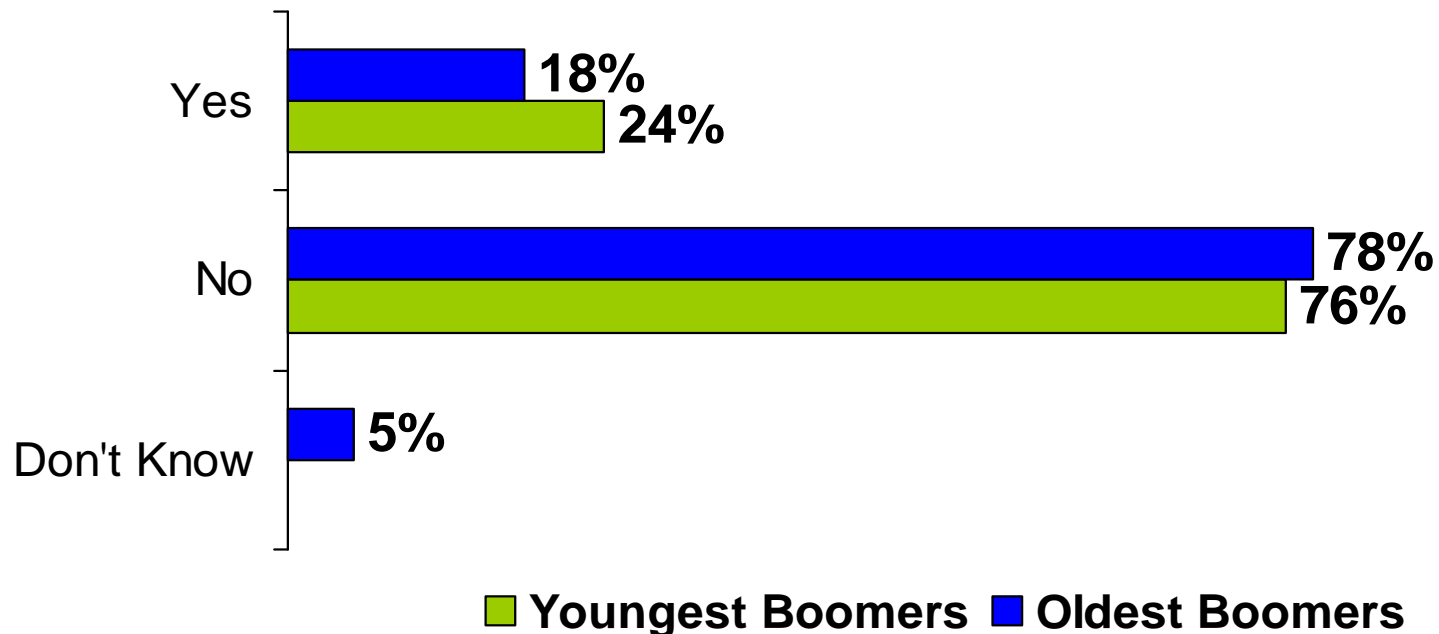


* Small sample

Source: MetLife Mature Market Institute Analysis

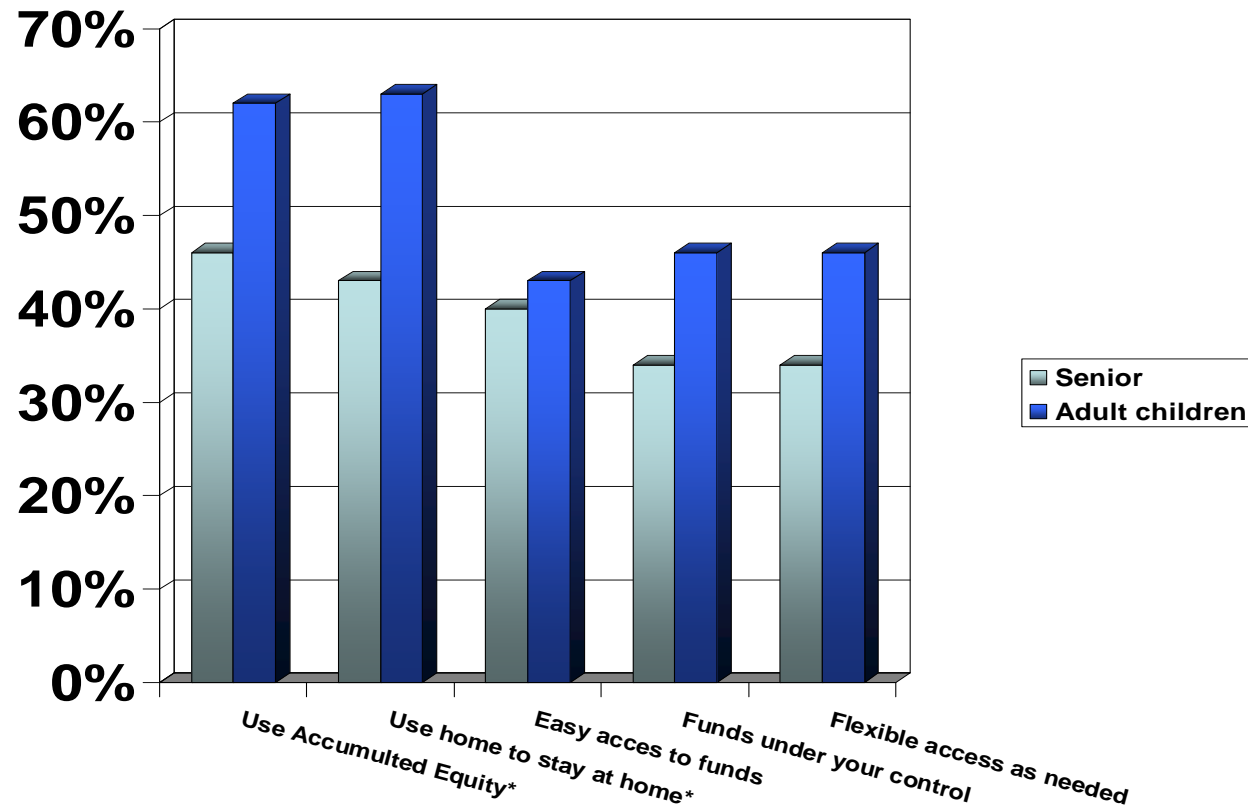
Younger Boomers Express Even More Interest in Reverse Mortgage

Would you consider using a reverse mortgage sometime to increase your income during your retirement?



Source: *Boomer Bookends*, MetLife Mature Market Institute, February 2009

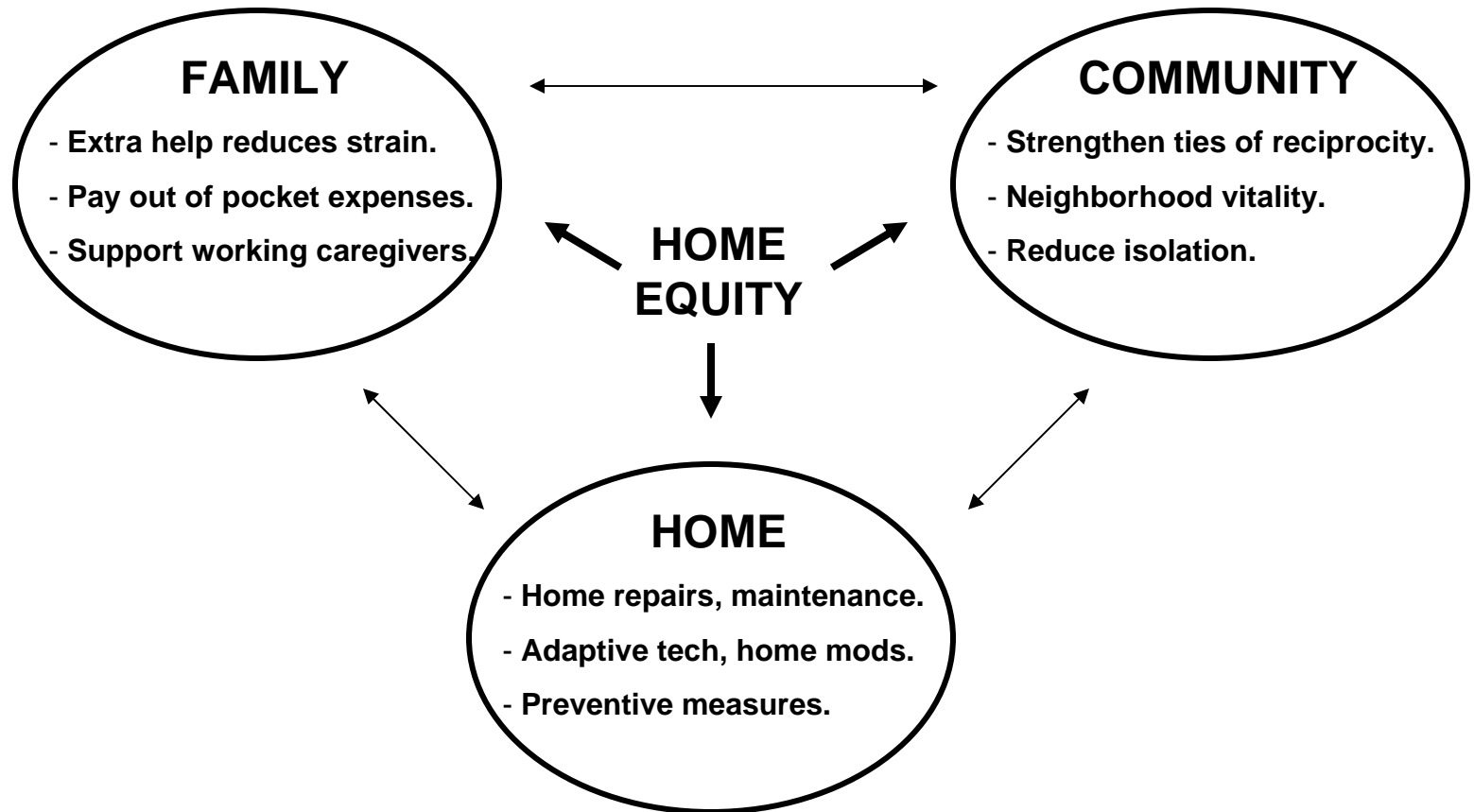
Adult Children of Homeowners Are Open to Using Home Equity for their Parents



Source: NCOA, 2005

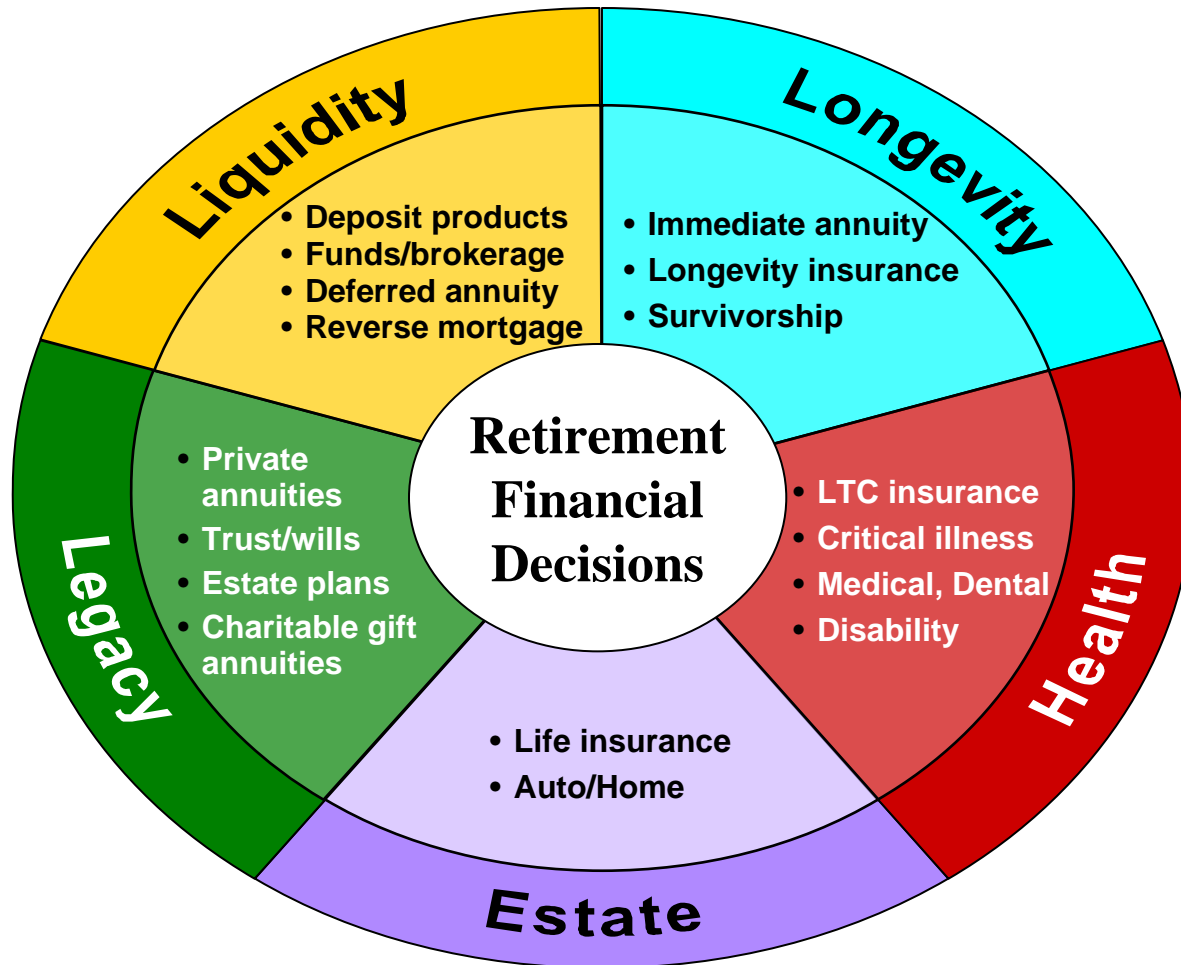
* Significant

Broader Role of Home Equity for Aging in the Community



Source: NCOA, 2005

A Holistic Retirement Plan – Fitting the Pieces Together



Source: MetLife, 2007

MetLife[®]

**Mature Market
INSTITUTE**

**57 Greens Farms Road
Westport, CT 06880 USA**

stimmermann@metlife.com
maturemarketinstitute@metlife.com
www.maturemarketinstitute.com