Baby Boomers guide to retirement

SECTION
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THE NORTHERN COLORADO
BUSINESS REPORT

Retirement likely to look different for boomers

JULIE BAXTER • BUSINESS REPORT

Judy McKenna, a family economic specialist for the Colorado State University Cooperative Extension, pictured in her Aylesworth Hall office, advises people to live below their means while they're working so they can save enough money to afford the retirement lifestyle they desire.

Early start best bet to funding, living the desired lifestyle

By Sue Lenthe
Business Report Correspondent

This is not your father's retirement.

Retirement, for the baby-boom generation — the 76-million babies born between 1946 and 1964 — is likely to look very different from that of their parents, say retirement planning experts.

As retirement pillars of the previous generation — Social Security and fat corporate pensions — fade, baby boomers will look for other strategies to fund their retirement years, including working longer or starting new businesses after they retire.

The retirement lifestyle, too, is likely to look radically different and that has implications for planning and saving as well.

As a group, baby boomers are more physically active, fitness-savvy and passionate about travel and adventure than their parents. They are more likely to allow the lines between work and leisure to blend. And they have a life expectancy that now extends to 75-plus

See RETIRE, 8C

Baby boomers see retirement as new beginning

Most believe they will continue to work through golden years

By Chryss Cada
Business Report Correspondent

As baby boomers approach their "golden years," they are redefining what it means to retire.

For one thing, most of them plan to continue working.

Eighty percent of boomers believe they will continue to work during retirement, and only 16 percent expect not to work for pay at all during their retirement years, according to "Baby Boomers Look Toward Retirement," a nationwide survey conducted for the American Association of Retired Persons' Research Group in 1998.

More than one in three expects to work part time, mainly for the interest or enjoyment work provides, while another 23 percent expect to work part time mainly for the income. A small

See WORK, 10C

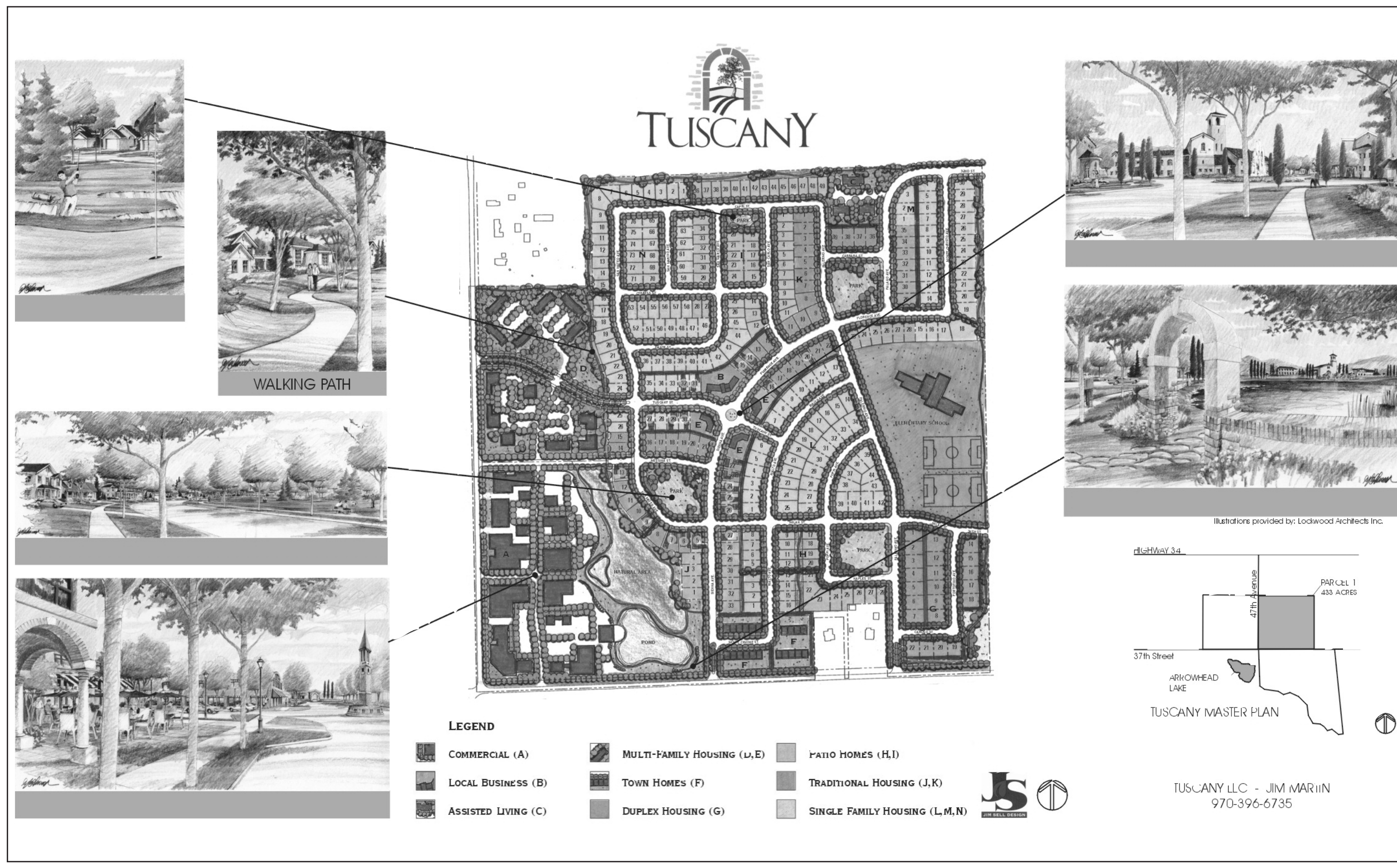
JULIE BAXTER • BUSINESS REPORT

James Ogg, a retired Colorado State University professor, has kept busy in his retirement with a variety of activities such as teaching this recent class on long-term care and insurance at Poudre Valley Hospital.

A place to call home

Developments feature lifetime housing options

By Tom Hacker
The Business Report



COURTESY JIM SELL DESIGN INC.

Marketing materials for the 533-acre Tuscany mixed-use development in Evans show a residential housing mix that promotes an emerging "age-in-place" concept of community design.

Get ready to hear more of a new catch phrase in urban planning and community design.

The hyphenated newcomer: "Age-in-place."

The concept the words embrace is hardly new, though. It harks back to a pattern of living that most Americans enjoyed before modernity changed it all. In short, it means moving into a community — then staying there for a lifetime.

"I would call it a trend," said Mark Fisher, architectural designer for Wolff Lyon Architects in Boulder, a pioneering firm in New Urbanist design. "What we are trying to do is get back to some of the things that people have found attractive in older, traditional neighborhoods, and one of those is diversity. … The idea is to have a neighborhood where people are comfortable and want to stay for the rest of their lives."

A Denver woman's first excursion into real estate development established "age-in-place" as an idea that likely will spread to the sprawling redevelopment of the land once occupied by Stapleton International Airport.

Most senior housing complexes target people over 62," said Jacqueline Peterson-Hall, whose PT Development Co. built the renowned Clyburn Village complex on Downing Street near Martin Luther King Boulevard. "Mine starts at age 55. Most senior housing projects are just for seniors. This is different. This is

See LIFETIME, 11C

LARGEST NURSING HOMES

(Ranked by total number of licensed beds)

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Hole

LARGEST ASSISTED-LIVING CENTERS

(Ranked by Capacity)

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Most baby boomers send children to school

College costs level off, but payments still cumbersome

By Susan de Castro McCann
Business Report Correspondent

HIGHER EDUCATION

There is good news and bad news for baby boomers sending their kids to college. The good news is that the cost of higher education in the United States may be leveling out if this year's tuition increases are any indication of long-term trends.

This year, average tuition prices rose less than 5 percent, the lowest rate of increase in 12 years. For private colleges, the average 4.6 percent increase was the lowest in 27 years.

The bad news is that the prices have leveled out only after years of tremendous increases. Between 1990 and 1996, tuition rose 44 percent while median household income increased just 13.8 percent, according to the U.S. General Accounting Office.

See COLLEGE, 11C

DORY JOHNSON • BUSINESS REPORT

Wynn and Douglas Waggoner, married five years ago, have five children between the ages of 20 and 25. Three have completed college within the last three years; two more are still in school. The fivefold college expenses were paid for by investments, savings and student loans.

JULIE BAXTER • BUSINESS REPORT

Laurel Kubin, director of the Colorado State University Larimer County Cooperative Extension office, recommends considering all the lifestyle factors involved in life after retirement and planning accordingly. She said it is likely retirees will need 100 percent of their working income to live a comfortable retirement.

RETIRE, from 2C

years; up from 68 years in 1950, according to Duke University demographers.

To understand how to plan for retirement, a critical first step is to project a desired retirement lifestyle, said Laurel Kubin, director of the Larimer County Office of Colorado State University Cooperative Extension.

"Think not only about the amount of funds and how you're going to withdraw those funds for your retirement, but how you will actually use those funds," Kubin said.

Future retirees can no longer count on a dramatic reduction in living expenses after they leave work, Kubin said.

"What many people are surprised about in retirement is that their expenses don't necessarily decrease drastically," she said. "They have become accustomed to a certain standard of living and it still takes a certain amount to be able to fund that."

For instance, while a retiree's clothing expenses may decrease, travel expenses often rise. Meanwhile, basic expenses such as food and utility costs likely remain static.

The old rule of thumb, that people needed to accumulate 75 percent to 80 percent of their pre-retirement income, is falling away, said Judy McKenna, family economic specialist for CSU Cooperative Extension.

"To be really conservative you probably need 100 percent," she said.

Kubin said, "You really have to look at your individual lifestyle and what it is you plan to continue doing and how much time you plan to spend doing that."

Figuring out a retirement destination is one of the first steps that certified financial planner Rachel Lane of Cada and Associates in Loveland takes with clients. Lane said she helps clients understand where they are financially, by taking an inventory of their financial assets. And then, what they want retirement to be like.

"We look at where they are now and where they want to be. That's a big question because a lot of people don't know. We really have to delve into it because we have to see what they want their money to do for them."

> "What many people are surprised about in retirement is that their expenses don't necessarily decrease drastically."
>
> **– Laurel Kubin, director of the Larimer County Office of CSU Cooperative Extension**

Baby boomers need to realize they must live below their means now in order to accumulate retirement savings and prepare for an enjoyable retirement lifestyle, McKenna said.

"If they can carve out a lifestyle early on that provides for their most important values and yet still have this difference between what they make and what they spend, then that is a critical lifelong thing to focus on," she said.

Pay off credit-card debt, McKenna suggested, as a first step toward saving for retirement. "Pay that off and then use those payments you have been making toward credit cards and turn those around into investments."

Mutual funds are a good way to get started investing for the future, McKenna said. Purchasing mutual-fund shares buys management and diversification; and investors can easily obtain in-formation about a fund's history.

Many mutual funds will accept low initial-investment amounts if investors sign up for a monthly direct-deposit plan.

"For a lot of people, once you start doing it and you don't have to think about it every month, all of a sudden they look at what they've accumulated and they're amazed," McKenna said.

See RETIRE, 10C

TOP COLORADO-BASED MUTUAL FUNDS

(Ranked by combined rankings of net assets, YTD return and 1999 annual return)

Rank	Fund name (ticker symbol) Management Company Address	Rank score*	Rank: net assets/ YTD return (Sept. 30)/ 1999 annual return	Net assets ($M)	YTD return (9/30/00)/ 1999 annual return	Initial investment/ expense ratio/ fund & category	Risk rating	Top three stock sectors	Average annual return** 3-year/ 5-year/ 10-year	Manager/ inception date
1	INVESCO TECHNOLOGY INV (FTCHX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	32	11 7 4	$8,409	21.3% 144.6%	$1,000 1.20 0.88	Below Average	Tech 88.3 Services 7.3 Industrials 3.3	6.60 4.24 6.60	William R. Keithler 1/19/84
2	INVESCO TECHNOLOGY [illegible] (FTPIX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	[illegible]	17 6 3	$3,774	21.6% 148.2%	N/A 0.74 0.70	N/R	Tech 88.3 Services 7.3 Industrials 3.3	N/A	William R. Keithler 12/21/98
3	INVESCO DYNAMICS INV (FIDYX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	[illegible]	8 4 19	$9,767	23.4% 71.6%	$1,000 1.03 0.88	Below Average	Tech 46.4 Services 18.1 Health 17.3	4.32 2.88 2.96	Timothy J. Miller Thomas R. Wald 9/15/67
4	JANUS GLOBAL LIFE SCIENCES (JAGLX) Janus 100 Fillmore St. Denver, CO 80206-4923	41	18 2 24	$4,383	41.6% 61.5%	$2,500 1.19 0.88	N/R	Health 87.7 Tech 6.4 Industrials 2.8	N/A	Tom Malley 12/31/98
5	JANUS GLOBAL TECHNOLOGY (JAGTX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	9 39 1	$5,861	-0.7% 211.6%	$2,500 1.02 0.88	N/R	Tech 77.1 Services 16.8 Industrials 3.0	N/A	Mike Lu 12/31/98
6	JANUS ENTERPRISE FUND (JAENX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	8 29 9	$9,182	1.7% 121.9%	$2,500 0.88 0.88	Average	Tech 42.5 Services 41.5 Health 10.0	6.77 2.75 N/A	James P. Goff 9/1/92
7	BERGER SMALL COMPANY GROWTH INV (BESCX) Berger Funds 210 University Blvd. Denver, CO 80206	[illegible]	27 8 11	$1,481	18.8% 104.4%	$2,000 1.60 0.84	Average	Tech 29.1 Services 23.9 Health 22.8	3.31 2.32 N/A	Jay W. Tracey III Mark S. Sunderhuse 12/30/93
8	DREYFUS FOUNDERS DISCOVERY FUND (FDISX) Dreyfus Founders Class F P.O. Box 173655 Denver, CO 80217-3655	[illegible]	28 11 14	$1,348	12.2% 64.8%	$1,000 1.46 0.88	Average	Technology 47.4 Services 19.7 Retail 9.0	3.37 2.23 2.21	Robert T. Ammann 12/29/89
9	JANUS ASPEN AGGRESSIVE GROWTH INSL (JAAGX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	12 35 7	$4,809	-0.7% 125.4%	$5,000,000 0.68 0.78	Average	Services 42.8 Tech 39.5 Health 17.0	6.74 2.70 N/A	James P. Goff 9/13/93
10	BERGER NEW GENERATION INV (BENGX) Berger Funds 210 University Blvd. Denver, CO 80206	[illegible]	37 14 5	$869	9.2% 144.2%	$2,000 1.84 0.88	High	Technology 58.9 Services 17.8 Health 10.2	5.86 N/A	Mark S. Sunderhuse 3/29/96
11	JANUS FUND (JANSX) Janus 100 Fillmore St. Denver, CO 80206-4923	57	1 28 31	$48,146	3.8% 47.1%	$2,500 0.84 0.88	Below Average	Services 28.8 Tech 23.8 Financials 11.6	2.87 2.02 1.88	Blaine P. Rollins 2/27/70
12	INVESCO SMALL COMPANY INVE (FIEGX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	57	28 18 17	$1,718	8.1% 61.8%	$1,000 1.60 0.78	Average	Tech 46.8 Services 16.9 Health 16.7	2.87 2.04 N/A	Stacie A. Cowell 12/27/91
13	JANUS MERCURY (JAMRX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	4 42 13	$17,167	-2.8% 98.2%	$2,500 0.91 0.88	Average	Tech 46.7 Services 23.2 Energy 6.0	5.29 2.84 N/A	Warren B. Lammert III 5/3/93
14	BERGER GROWTH (BEONX) Berger Funds 210 University Blvd. Denver, CO 80206	[illegible]	23 10 26	$1,948	12.8% 52.3%	$2,000 1.36 0.70	High	Tech 64.5 Services 11.4 Health 10.2	2.18 1.37 1.83	Jay W. Tracey III 9/1/66
15	INVESCO BLUE CHIP GROWTH INV (FLRFX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	[illegible]	20 9 34	$2,383	14.8% 38.8%	$1,000 1.03 0.86	Average	Tech 66.4 Health 16.4 Services 6.8	3.46 2.49 1.86	Trent E. May Doug McEldowney 11/25/35
16	JANUS GROWTH & INCOME (JAGIX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	7 32 27	$9,846	0.2% 51.2%	$2,500 0.90 0.88	Low	Tech 29.3 Services 24.1 Financials 7.8	2.78 2.41 N/A	David Corkins 5/15/91
17	JANUS OVERSEAS (JAOSX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	5 48 18	$9,579	-6.8% 86.1%	$2,500 0.91 0.88	Above Average	Services 45.6 Tech 26.8 Durables 8.8	4.81 6.80 N/A	Helen Young Hayes Laurence J. Chang 5/2/94
18	JANUS WORLDWIDE (JAWWX) Janus 100 Fillmore St. Denver, CO 80206-4923	[illegible]	2 48 22	$39,800	-3.8% 64.4%	$2,500 0.88 0.88	Average	Services 41.1 Tech 28.0 Durables 8.8	4.48 6.43 N/A	Helen Young Hayes Laurence J. Chang 5/15/91
19	BERGER MID CAP GROWTH (BEMGX) Berger Funds 210 University Blvd. Denver, CO 80206	[illegible]	58 12 2	$122	11.8% 181.6%	2,000 1.78 0.78	N/R	Technology 49.3 Services 18.9 Health 14.4	N/A	Jay W. Tracey III Mark S. Sunderhuse 12/31/97
20	JANUS TWENTY (JAVLX) Janus 100 Fillmore St. Denver, CO 80206-4923	73	3 49 21	$33,208	-9.4% 64.9%	$2,500 0.87 0.88	Above Average	Tech 59.3 Services 25.8 Industrials 3.5	4.28 3.25 2.48	Scott W. Schoelzel 4/26/85
21	INVESCO HEALTH SCIENCES INV (FHLSX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	73	21 3 49	$2,228	31.8% 0.6%	$1,000 1.22 0.84	Average	Health 93.8 Industrials 4.5 Services 1.8	2.24 1.81 1.88	John R. Schroer 1/1/84
22	JANUS OLYMPUS FUND (JAOLX) Janus 100 Fillmore St. Denver, CO 80206-4923	73	31 30 12	$1,186	1.4% 100.1%	$2,500 0.93 0.88	Average	Tech 66.8 Serv 18.4 Health 4.3	5.96 N/A	Claire Young 12/29/95
23	JANUS ASPEN GROWTH INSL (JAGRX) Janus 100 Fillmore St. Denver, CO 80206-4923	74	16 26 32	$4,172	3.0% 44.0%	$5,000,000 0.67 0.72	Low	Service 37.9 Tech 22.9 Financials 14.6	2.60 1.87 N/A	Blaine P. Rollins John H. Schreiber 9/13/93
24	JANUS ASPEN WORLDWIDE GROWTH INSL (JAWGX) Janus 100 Fillmore St. Denver, CO 80206-4923	76	10 43 23	$8,624	-3.3% 64.1%	$5,000,000 0.71 0.87	Average	Services 26.6 Tech 24.0 Durables 8.0	4.81 7.13 N/A	Helen Young Hayes Laurence J. Chang 9/13/93
25	INVESCO EQUITY INCOME INV (FIIIX) INVESCO Family of Funds P.O. Box 173706 Denver, CO 80217-3706	77	14 19 44	$4,486	8.6% 12.8%	$1,000 0.93 0.47	Low	Financials 21.0 Services 16.7 Tech 12.6	0.67 0.58 0.84	Charles P. Mayer J. (Jerry) Donovan 2/1/60

Note: Includes Colorado-based funds with net assets greater than $50 million, ranked first by rank sum, second by net assets.
* Rank Score = Rank of Net Assets + Rank of YTD Return (Sept. 30) + Rank of 1999 Annual Return; ranks based on field of 54 Colorado-based mutual funds (with greater than $50 million in net assets).
** Average Annual Total Return as of June 30, 2000.
N/A — Not available N/R — Not rated

SOURCE: PUBLIC RECORDS, MUTUAL FUNDS
RESEARCHED BY [illegible]

WORK, from 3C

percentage (5 percent) expect to retire from their present job or career but work full time doing something else, and 17 percent expect to start their own businesses.

A desire to stay in the work force may well reflect concerns about what life will be like without work.

James Ogg, a retired Colorado State University professor, says a lot of people have an idyllic view of retirement.

"It can be difficult for a lot of people," he said. "One day a person is in a responsible position and the next they're just sitting around the house.

"You can only play so many rounds of golf before you get bored."

Ogg says the key to avoiding post-employment depression is to keep busy. The 75-year-old has practiced what he preaches. Nearly simultaneous with retirement from teaching medical microbiology, he became involved as a volunteer with Poudre Valley Hospital's Aspen Club. He is a certified volunteer financial counselor and instructor of the "55 Alive" driving class for seniors.

"I've noticed that a lot of other life issues come up in the course of the class," he said. "It's really about effective aging."

In a nutshell, effective aging means resisting stagnation in all its forms.

"A lot of folks hesitate to try something new — they shouldn't," he said. "Life is one long learning process. They might discover talents they never knew they had.

"I encourage people to pursue something that's always interested them."

> "I encourage people to pursue something that's always interested them."
>
> – James Ogg, retired Colorado State University professor

The sooner a would-be retiree pursues his or her outside work interests, the easier the transition to retirement will be.

"How well a person makes the transition to retirement has everything to do with how they spent their time up until that point," said Carole Makela, a professor in CSU's Design, Merchandising and Consumer Sciences department with an expertise in retirement planning. "If they have no interest outside of work they're going to have a difficult time.

"Those considering retirement need to think about what they're going to do to replace the things they got from work."

Obtaining satisfaction, offering a challenge, inspiring creativity and providing socialization are some of the needs that work can fill.

While considering what activities might fill these needs, Makela suggests ma-king a list of things the potential retiree has always wanted to do.

"I mean this very literally," she said. "Sit down and make a list, taking into consideration what is realistic healthwise.

"This process of self examination is very helpful."

Makela also suggests taking into consideration one's relationships and how retirement might affect them.

"Couples need to sit down and make this decision together," she said. "They need to make sure that their expectations for retirement are the same."

When it comes to thinking about what retirement means to them, Boomers express a wide range of emotion. According to the AARP study, 74 percent of boomers say that "a time to pursue interest and hobbies" accurately describes their view of retirement, and the same percentage (74 percent) see retirement as an "opportunity to spend more time with family."

Among the 2,001 boomers in the survey, more than two in three (69 percent) are optimistic about their retirement years, whatever form they may take.

"Retirement can be about a different time of productivity," Ogg said. "You may still be working per say, but it's more like a hobby.

"It's a time to redefine yourself."

RETIRE, from 8C

Baby boomers should take advantage of any employer-offered retirement savings plan, Lane said. "Maximum-fund your 401K or qualified retirement plan, because you get a third kicked in from the government."

Participation also typically includes an employer contribution.

"Even if it's only 2 percent, you're getting that 2 percent free," Lane said. "Then do a Roth IRA or traditional IRA if you're eligible."

Workers who are self-employed should look into retirement savings options designed for them such as SEP or Simplified Employee Pension IRAs. Again, Lane said, fund those with the maximum allowable amount.

Retirement-planning resources include financial planners, software programs designed to help manage retirement planning and Web sites geared toward the topic.

Whether or not to engage the services of a trained professional in preparing for retirement is an individual choice, McKenna said.

"Some people just love to do this themselves, they read books, use the Internet, watch TV programs. Some people can do just fine on their own," she said.

On the other hand, she noted, "There are a whole bunch of people who love what they're doing and could care less about the money part of their lives. They owe it to themselves to get some good overall planning advice."

Do-it-yourselfers should be careful about their projections, McKenna cautioned. When it comes to future needs and unknowns like returns and inflation rates, it's a good idea to be conservative.

Working with a financial professional can help people obtain a close-up on their overall financial picture, McKenna said.

"I think one of the really valuable contributions of a financial professional is that they look at a comprehensive plan so that you're looking at your insurance coverage, you're looking at questions that have to do with covering all those intermediate goals before you're retired; maybe education for the kids, maybe retraining for a career change."

Regardless of how they choose to approach retirement planning, "the baby boomers are getting to the point where they'll need to know how they're going to sustain themselves in this different segment of their lives," McKenna said.

When should they start?

"As soon as possible," Lane said. "Absolutely as soon as possible."

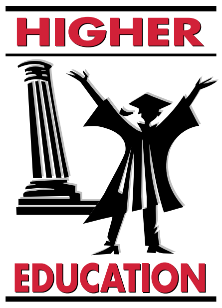
For more information

A variety of publications dealing with retirement and financial planning are available on the Colorado State University Cooperative Extension Web site. They can be viewed by going to www.colostate.edu, then clicking on "Extension and Outreach" and then clicking on "newsletters and columns."

COLLEGE, from 7C

from 7C

Parent Wynn Waggoner said, "I don't think in today's world, unless you're independently wealthy, that you can afford to pay for a college education without borrowing."



The College Board reports that four years of in-state tuition (add another $5,500 annually for out-of-state), room and board at a public institution averages $45,000 and can reach $100,000 for a private college or university.

In Colorado during the 1998-99 school year, the cost of tuition, room and board at a public four-year institution was $7,836, according to the U.S. Department of Education's National Center for Education Statistics. The same costs for a private institution totaled $19,452. The figures do not include personal expenses, transportation, books and incidental costs included in the price of a college education.

Despite high and rising costs, parents are managing to send their kids to college in droves. How are baby boomers able to send their kids to college despite high price tags?

Though Americans between the ages of 36 and 54 fall under the monolithic "baby boomer" moniker, their lives are anything but homogeneous or predictable. The same is true for the myriad ways that baby boomers are sending their kids to college: Some believe their children should work their way through college, paying for it themselves; others have always told their kids they'd pay for their college education; still others consider paying for a college education a joint venture.

Some boomers have invested and saved over the years, others have helped their kids locate and earn scholarships and grants, still others believe that grants and scholarships are nearly impossible to get. Most families rely to a certain extent upon student loans. More than $60 billion in federal financial aid goes to students each year. In Colorado, more than 70 percent of students at public four-year institutions borrow using student loans.

Wynn and Douglas Waggoner married five years ago and, together, have five children between the ages of 20 and 25. Three of them have completed college within the last three years. Two more are still in school. Wynn's daughters attended the University of Florida and the Atlanta College of Art. Douglas' eldest son recently graduated from the University of Southern Illinois; his two younger sons attend the University of Colorado.

Both Wynn and Douglas invested and saved for their children's education. By the time her daughters were ready for college, Wynn had saved more than $20,000 for each of them. Likewise, Douglas had been saving for his boys' education since each was born.

"They were pretty conservative investments," he said, "some government bonds, a few well-known stocks."

Wynn added, "It's tricky. As a parent, you want to be conservative because if you risk it and lose, that's your child's education. You want to be aggressive, though, too, to make as much as possible."

In addition, each of the Waggoners' children have borrowed student loans to help pay for college. Each of the girls amassed more than $10,000 in student-loan debt.

Most baby boomers expect to pay for their children's education the way theirs was paid for. "I worked all summer in a factory for $15 an hour. That was a lot of money back then. I made enough to pay my tuition and fees for the whole school year," Douglas said. His boys also work.

> "I don't think in today's world, unless you're independently wealthy, that you can afford to pay for a college education."
>
> – Wynn Waggoner, parent

On the other hand, Carol Sass Tuttle, the mother of three children, said her ex-husband, John, had three brothers. Each of them took 10 years to complete a four-year degree, and it was all paid for.

"He told our kids all along that he would pay for their college, and that they should go to the best schools," Sass Tuttle said.

One of her daughters graduated from Middlebury College; the other attends Trinity. They both worked during the summer to earn spending money.

There are many options for kids and their parents. Among those options are the Colorado's Prepaid Tuition Fund and its Scholar's Choice program.

The Scholar's Choice program, designed last year, allows parents to save for their child's education tax-free under federal section 529. Contributions are deductible from state taxes and go tax-free until withdrawal, at which point they are taxed at a rate based on the student's earnings, not their parents'. The funds increase at market rates and are managed by Salomon Smith and Barney.

The state's Prepaid Tuition Fund was reorganized this year to lower costs and increase returns and information disclosed to participants. The program allows parents to purchase tuition units as their children grow. The value of their investment goes up with the rate of college tuition. The program is managed by the Colorado Student Obligation Bond Authority.

LIFETIME, from 4C

from 4C

for everybody."

An Evans development scheduled to have homes on the market in 2001 is among the first in Northern Colorado to put the emerging concept to use. Tuscany, co-developed by Jim Martin and his Tuscany Real Estate Inc. staff and Fort Collins developer Bill Neal, will offer housing options that are intended to build an enduring community of long-time residents.

While Tuscany's 533-acre mixed-use master plan is not modeled after any established "age-in-place" development, the idea is at the heart of the way Martin, Neal and site planner Jim Sell Design Inc. of Fort Collins put their proposed housing mix together.

"It's a product mix that takes you from your very first place to your very last," Martin said.

Here's how it works: A newly married couple might settle into one of Tuscany's $600-a-month rental apartments. After a few years of saving, they might seek their first purchase: a small, San Francisco-style row house for $110,000.

"Maybe from there, they move up to one of our regular town homes, in the $150,000 to $155,000 range, or to a duplex for around $160,000," Martin said.

Escalating incomes will support another move up. Single-family homes in the $180,000 to $190,000 range would offer space to growing families — and could be found right around the corner. Mature families find neo-traditional, parkside homes nearby in a broad $225,000-to-$350,000 range.

> "The idea is to have a neighborhood where people are comfortable and want to stay for the rest of their lives."
>
> – Mark Fisher, Wolff Lyon Architects

Empty nesters, some still shy of their highest income levels, might choose yet another option.

"Say they're not quite ready to retire, but they don't need all the space," Martin said. "They might choose a higher-end, upscale condominium on the roundabout for $250,000."

From the top of the housing ladder, older Tuscany residents would begin a descent. Patio homes in the $180,000 to $220,000 range "still offer a place for the grandkids to play," Martin said.

Aging brings the necessity for special services, like those offered by assisted-living centers. Tuscany will have one — within walking distance of most patio homes. "Say grandpa has a stroke, and needs that kind of help," Martin said. "But grandma doesn't want to give up her home. She can walk around the corner to the assisted-living facility."

Tuscany's first phase of development, a 147-acre tract at the intersection of 37th Street and 47th Avenue in Evans, will feature the full package of housing options.

"That's the beauty of this," Martin said. "We're able to offer all of that in our first phase."

All of this, of course, depends on the almost utopian notion that people will be so bound by community that other considerations — like career opportunities — would not lure them away. While Martin has no illusions that Tuscany could ever be so cohesive, he does offer evidence that the concept — or at least design framework for it — will be embraced.

A study by American Lives Inc., an Oakland, Calif.-based research firm, shows that neo-traditional and "New Urbanist" community plans are gaining broader acceptance among home buyers.

The study showed 60 percent of buyers were "tired of the sterile uniformity of most suburbs," and would seek alternatives. Two-thirds said they would rather see neighborhoods grouped as separate "town" centers, and three-quarters said they wanted a "rich mixture of housing styles and a variety of people and lifestyles."

Tuscany's will offer a broader range of options than developments that follow the principals of New Urbanism in the strictest sense, such as the ultra-high density Prospect/New Town development in Longmont, Martin said.

"We've kind of created a new area, and I guess the best description would be that it's an urbanistic approach to suburbanism," Martin said.

"The New Urbanist concept of everyone having a front porch and getting to know their neighbors is great, but most models based on that idea eliminate the back yard, and then you have no place for the family barbecue. … We've got the front porch, but we've also got the back yard."

Fisher said the New Urbanist label has been battered and bruised by overuse — and misuse — but the characteristics that the term's original definition encompassed still endure.

"The New Urbanist name has been tossed around a lot," he said. "But one of the things that really defines it is diversity. That means diversity of product and diversity of use."

With the addition of the "age-in-place" concept, some neo-traditional developers are adding diversity of age to the mix.