

# 31 ALARMING STATISTICS

For Those Retired Or Very Close To It



# RETIREMENT READINESS

## A Storm of Epic Proportion

“Retirement.” The word used to conjure up images of leisure, travel, golf, new hobbies, or spending time with the grandkids. But today, when people think about their retirement, all they do is worry.

American workers are \$6.6 trillion dollars short of what they need to retire comfortably. That is enough dollars that, if lined up end to end, they would stretch to the moon and back 1,000 times and still leave enough left over to pay NASA’s budget for the next eight decades.

(Source: Boston College’s Center for Retirement Research & US Senate Committee on Health Education Labor & Pensions: The Retirement Crisis and a Plan To Solve It, July 2012)

After a lifetime of hard work, people deserve the opportunity to live out their golden years with dignity and financial independence. But for many, the dream of a secure retirement is slipping out of reach.

Low returns on their investments, the financial crisis, the housing bust and rising health care costs all point towards smaller nest eggs than they’d hoped for. At the same time, we’re living longer. It’s a very real possibility that you may need 30 or more years of retirement income. Couple that with the fact that the burden for retirement planning has shifted away from corporate big brother and traditional defined pension plans to each of us individually.

“To maintain living standards into old age we need roughly 20 times our annual income in financial wealth.”

(Source: Huff Post Business: The Looming Retirement Crisis and What To Do About It, July 24, 2012)

According to a new study from Fidelity Investments, the typical U.S. worker would face as much as a \$2,100 a month shortfall during retirement if current trends continue.

(Source: Study by Fidelity Investments: USA Today, Sept 8, 2012)

This is why we’d like to offer you a no cost, no obligation, Retirement Income Analysis.

But first, look at 31 of the most Eye Opening, Alarming Statistics For Those Retired or Very Close To It.



1. Beginning January 1st, 2011 and for the next 19 years, the very first Baby Boomers turn 65. Every day for the next 19 years, more than 10,000 Baby Boomers will reach retirement age.

(Source: U.S. Census Bureau)

2. According to a recent survey, 36 percent of Americans say they don't contribute anything at all to retirement savings.

(Source: CNBC: More Upper-Income Workers Living Paycheck to Paycheck.

Published on Sep 16, 2009)

3. The traditional pension plan is disappearing. In 1980, some 39% of private-sector workers had a pension that guaranteed a steady payout during retirement. Today that number stands closer to 15%.

(Source: Employee Benefit Research Institute, Washington, D.C.)

4.

**Over 30% of U.S. Investors in their sixties have more than 80% of their 401(k) invested in equities.** So what happens if the stock market crashes again?

(Source: MoneyNing.com: The Impending Retirement Crisis. March 26, 2009)



5. 35% of Americans over the age of 65 rely almost entirely on Social Security payments.

(Source: AlterNet.com, The Retirement Nightmare, July 15, 2010)

6.

- 24% of U.S. workers admit that they have postponed their planned retirement age at least once during the past year.  
(Source: Employee Benefit Research Institute and Matthew Greenwald & Associates, Inc. 2010 Retirement Confidence Surveys)

7.

**Approximately 3 out of 4 Americans start claiming Social Security benefits the moment they are eligible at age 62.**

(Source: The Washington Post)



8.

Pension consultant Girard Miller told California's Little Hoover Commission that state and local government bodies in California have \$325 billion in unfunded pension liabilities, which works out to \$22,000 for every single working adult in California.

(Source: Los Angeles Times: Government Pensions in Cross Hairs, April 23, 2010)

9.

- According to a report from Stanford University, California's three biggest pension funds are \$500 billion short of meeting future retiree benefit obligations.

(Source: Bloomberg: California Pensions \$500 Billion Short of Liabilities, April 5, 2010)

10.

It has been reported that the \$33.7 billion Illinois Teacher Retirement System is 61% underfunded and is on the verge of complete collapse.

(Source: ZeroHedge.com: 61% Underfunded Illinois Teachers Pension Fund Goes for Broker, June 14, 2010)

**11.** The 50 states are collectively facing \$5.17 trillion in pension obligations, but they only have \$1.94 trillion set aside in state funds, a difference of \$3.2 trillion dollars. Most states are already completely broke and on the verge of bankruptcy.  
(Source: Forbes: The United States of Debt, Jan 20, 2010)

**12.** According to the Congressional Budget Office, the Social Security system paid out more in benefits than it received in payroll taxes in 2010. Sadly, these “Social Security” deficits are scheduled to become absolutely horrific as hordes of Baby Boomers start to retire.  
(Source: Congressional Budget Office, www.gao.gov)

**13.** In 1950, each retiree’s Social Security benefit was paid for by 16 U.S. workers. In 2010, each retiree’s Social Security benefit is paid for by approximately 3.3 U.S. workers. By 2025, it is projected that there will be approximately 2 U.S. workers for each retiree.  
(Source: GAO.gov: A Message From the Secretary of the Treasury)



**14.** According to a recent U.S. government report, soaring interest costs on the U.S. national debt, plus rapidly escalating spending on entitlement programs, including **Social Security and Medicare, will absorb approximately 92 cents of every single dollar of federal revenue by the year 2019, and that is before a single dollar is spent on anything else.**

(Source: GAO.gov: A Message From The Secretary of the Treasury)

**15.** After analyzing Congressional Budget Office data, Boston University economics professor Laurence J. Kotlikoff concluded that the U.S. government is facing a “fiscal gap” of \$202 trillion dollars. A big chunk of that is made up of future obligations to Social Security and Medicare recipients.  
(Source: The Debt Blog: The National Debt of the United States, October 21, 2010)

**16.** According to a recent AARP survey of Baby Boomers, 40% of them plan to work “until they drop”.

(Source: AARP Study as reported in Time Magazine)



**17.** A record 33% of Americans now plan on working past the age of 70.  
(Source: Employee Benefit Research Institute and Matthew Greenwald & Associates, Inc. 2010 Retirement Confidence Surveys)

**18.** 43% of American workers have less than \$10,000 in retirement savings.  
(Source: Employee Benefit Research Institute)

**19.** 31% of workers have saved NOTHING for retirement.  
(Source: Employee Benefit Research Institute and Matthew Greenwald & Associates, Inc. 2010 Retirement Confidence Surveys)

**20.** 30% of adult children contribute financially to their parents and that number is expected to grow.  
(Source: New York Times: Taking Care of Parents Also Means Taking Care of Finances, Sept 18, 2009)

21.

**Even as fears mount, only 46% of workers have tried to calculate what they need to save for retirement.**

(Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc. 2010 Retirement Confidence Surveys)



22.

**A record 51% doubt they can pay for medical expenses in retirement.**

(Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc. 2010 Retirement Confidence Survey)

23.

**Long-term care is no longer an affordable option for most retirees.**

(Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc. 2010 Retirement Confidence Survey)

24.

**Two thirds of Americans over the age of 85 LIVE ALONE.**

(Source: Pew Research Center: Growing Old in America: Expectations vs. Reality, June 29, 2009)

25.

**Women tend to be less prepared for retirement than men. Too bad they retire earlier, live longer, and are more likely to be divorced.**

(Source: Pew Research Center: Growing Old in America: Expectations vs. Reality, June 29, 2009)



26.

**Due to the recession, Social Security will pay out more than it takes in from taxes in 2010 and 2011.**

(Source: USA Today: Rash of retirements pushes Social Security to brink, Feb 8, 2010)

**27.** As Baby Boomers retire, Social Security deficits will become a yearly occurrence.

(Source: USA Today: Rash of retirements pushes Social Security to brink, Feb 8, 2010)

**28.** There were 36 million “senior” Americans in 2000. There will be 70 million by 2030, and 90 million by 2050, and all of them will be taxing the systems, services and resources you use, and possibly, more frightening, competing with you in the job market.

(Source: United States Census Bureau, 2010 & Financial Planning: 12 Terrifying Retirement Facts Keeping Boomers Up At Night)



**29.** Six of 10 non-retirees believe that Social Security won't be able to pay them benefits when they stop working.

(Source: USA Today: Poll: Faith In Social Security System Tanking, July 20, 2010)

**30.** 56% of current retirees believe the government will eventually cut their Social Security benefits.

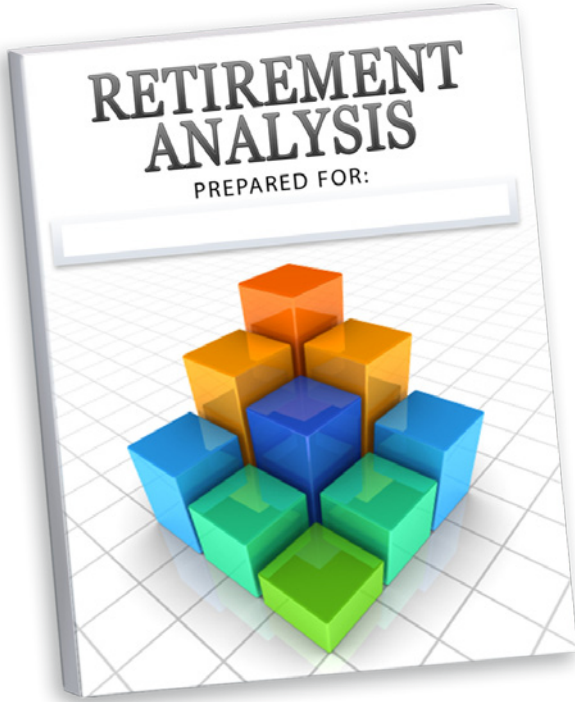
(Source: USA Today: Poll: Faith In Social Security System Tanking, July 20, 2010)

**31.** One out of every six elderly Americans is already living below the federal poverty line.

(Source: U.S. Census Bureau as reported on Financial-Planning.com)



# FREE Retirement Analysis



**YES**

**We would like to receive a no cost, no obligation Retirement Analysis. Please contact us to schedule a convenient time.**

NAME

PHONE

EMAIL



**Ross Wolf, IAR, CLU, ChFC**  
President  
Pacific Financial Advisors, Inc.



**FAX BACK TO (866) 451-1287**