

Surprising Facts and Figures

A Retirement Reality Check

- **70%** - the percentage of Americans who will rely on Social Security for the majority of retirement income. Even though most of us think personal assets will be our most important source of income when we are old, the truth is personal savings and home equity aren't enough to keep us afloat in retirement.
- **\$50,000** - the value of an average American's 401 (k) plan as they near retirement. Annuitize that for the rest of your life and you have a fancy dinner and a movie (less than \$250 per month).
- **\$73,000** - the amount of home equity an average middle-class American has accumulated prior to retirement.
- **\$190,000** - the value of the average American's social security at retirement if converted into a lump sum.
- **\$115 billion** - the tax breaks for retirement savings in 2006. The tax breaks for pension plans are more than households actually save. In 2006, the tax breaks for retirement savings were \$115 billion, personal savings were \$102 million.
- **20%** - Chance that future retirees could be poor in old age according to one of the more dire estimates. The elderly poverty rate is now about one out of seventeen, but appears to be growing.
- **58.8%** - percentage of people age 65 or older who are women. Women's retirement needs require a special focus because old-age income policy disproportionately affects women. This discrepancy increases with age; very old women (post-age 80) outnumber men by 2.2 to 1.38 (62.7%).
- **470%** - An elderly woman's chances of falling into poverty increases by 470% if she does not have a husband. 22.8 % of non-married women fall below poverty level compared to about 4% of married women.
- **2.66%** - U.S. defined benefit plans - where individuals do not direct their own accounts-earned a 2.66% higher return NET of fees on equities than did retail mutual funds.
- **20%** - the amount a "do-it-yourself pension" planner needs to save out of every paycheck to provide for retirement. Not to mention that these savings would have to earn 4% after inflation and fees.
- **13%** - The improvement in longevity for 65 year old white males from 1979 to 1998. We're living longer and will have longer retirements. In this same period African-American males' longevity increased by 8%, white females by 4% and African-American females by 2%.
- **70%** - The percentage of retirement savings subsidies going to the richest 20% of taxpayers. The poorest 20% receives almost no retirement savings subsidies.
- **14.7%** - The increase in elderly men's labor force participation between March 1991 and March 2001. "Would you like fries with that?" 70 is becoming the new 17 as retirees enter the job market, taking jobs in fast-food and retail.