



Not Your Father's Retirement: Better

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Inflation is up, the markets are down, and millions of Americans have, until recently, been forced to sit on the sidelines of the job market. Baby Boomers entering retirement have it a lot tougher than their parents did, with their cushy pensions and cheap home prices.

Right? A recent article in the Bloomberg press disputes this commonly held view. It notes that for most of human history, people worked until they were physically unable, and then spent the remainder of their lives either poor or dependent on family for food and shelter. This changed in the mid-20th century with Social Security and various pension programs, which created that purported golden age of retirement in the 1960s and 1970s.

The article notes that even at their peak, only about 38% of private sector workers had one of those cushy defined benefit plans, and they tended to be the highest earners who had the least need for them. One report estimated that 57% of U.S. workers have some form of retirement plan—and that may be a low estimate. A study by the National Bureau of Economic Research found that 56% of 65-year-olds, 65% of 70-year-olds, 69% of 75-year-olds and 69% of 80-year-olds were receiving pension income.

When you factor in all retirement accounts, pension plans, bank accounts, stock portfolios and Social Security, IRS records show that people today have more or almost the same income as previous cohorts of retirees. Beyond that, there are many more opportunities for part-time work years into retirement for people who want to improve their financial situation after their careers have ended. If there is a golden age to retire, it might be now.

Sources:

<https://www.advisorperspectives.com/articles/2022/04/25/buck-up-boomers-youre-still-better-off-than-your-parents>

<https://www.nber.org/sites/default/files/2020-04/NB19-06%20Beshears%20et%20al%20Summary.pdf>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

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