

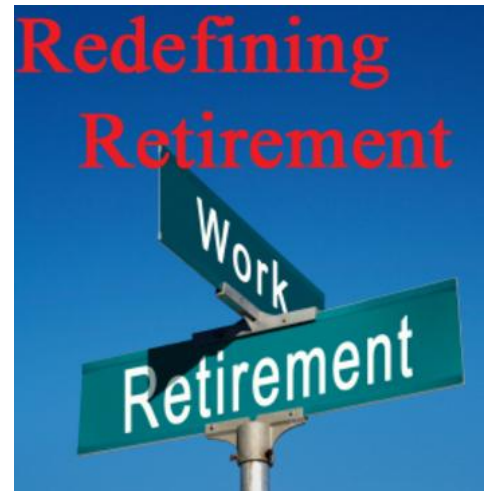


WHMI 93.5

Demographic Tidal Wave Makes Retirement Less Certain

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It's been called a tsunami that has the potential to devastate the American economy in the coming decades, but to many economists it represents a greater threat than any hurricane or earthquake. It's the retirement of the Baby Boom Generation and in the second installment of WHMI's three part series, "Redefining Retirement; The Baby Boom Generation Hits 65", we'll look at the numbers and how they relate to those just now retiring and those still preparing for it. Currently, just 13 percent of Americans are 65 years and older, but according to the Pew Research Center, by 2030 when all members of the Baby Boom Generation have reached that age, fully 18 percent of the nation will be at retirement age.



The government has already begun to pay out more in Social Security than its collecting. So what does the future have in store for these seniors when it comes to Social Security? 66-year-old Joan Marlowski of Howell told WHMI that she's solely relying on Social Security benefits as her only source of income and worries about future generations and what they might rely on in the future. A recent study called the Elder Economic Security Standard Index found that seniors who get only Social Security can't keep up with Michigan's high cost of living and medical expenses.

Kate White is the executive director of Elder Law of Michigan, the nonprofit advocacy agency which sponsored the report, and says for women the situation can be worse. "They don't always have as much work history or a work record for Social Security earnings. Similarly, a lot of women who are now retired worked at a time when they worked in professions where they might not have had access to a pension plan or they may have worked in lower-wage jobs." So if seniors are already having difficulty with living off Social Security benefits, what hope is there for the other end of the Baby Boom Generation who still have almost twenty years until they retire?

Sandy Doud of Brighton was born at the tail end of the generation in 1963 and tells WHMI her plans for retirement have certainly changed in the face of a struggling economy with no clear signs of recovery on the horizon. "We used to retire at 60 or 62 and assume you were only going to live another 10, 15 years. Now we're going to have to work until we're 70 or more and help being much more effective at saving so we can have that last 15 years of our lives be a little more comfortable." So what changes should Michigan prepare for and what can be done to get ready for retirement? That will be the focus of our final segment tomorrow. (JK)