



BLAINE K. JOHNSON  
FINANCIAL AND INSURANCE SERVICES



# How Do Your Retirement Savings Measure Up

# HOW DO YOUR RETIREMENT SAVINGS MEASURE UP?

With so much talk of “the 1%,” online calculators abound that will tell you what percentage you fall into nationally and in your state. It’s easy to see how you compare to others income-wise. But as you approach retirement, there is a much more important financial number than your income. How much do you have saved for retirement?

Before you know it, your current income will be nothing but a memory and your lifestyle may well depend on your savings. How does your nest egg compare with those of your peers? Are you on track to retire the way you want?

With Baby Boomers retiring every day, the Census Bureau predicts that the population aged 65 and over will grow 50% between 2015 and 2030. Because of this, the US Government Accountability Office was tasked with finding out how well prepared American workers are for retirement. They published a comprehensive report in 2015<sup>1</sup> that we can use to see if your retirement savings are on par with others your age.

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<http://www.gao.gov/assets/680/670153.pdf>

# If You Are Age 55-64...

If you have anything at all saved for retirement and you are between the ages of 55-64, you are doing better than 41% of your peers. If you have at least \$25,000 saved, you are doing better than the majority (55%). Though those numbers may make you feel good about yourself, they don't guarantee you a comfortable retirement.

Here is a table from the GAO's report showing how resources are divided between households with and without retirement savings in this age group.

Table 1: Select Resources for Households Age 55 - 64 by Ownership of Retirement Savings

Dollar figures rounded to nearest \$1000

	<b>Household age 55-64 with no retirement savings</b>	<b>Households age 55-64 with retirement savings</b>
Percent of households age 55-64	41%	59%
Median net worth	\$21,000	\$337,000
Median non-retirement financial resources	\$1,000	\$25,000
Median Income	\$26,000	\$86,000
Home ownership rates	56%	87%
Percent who own a home that is paid off	22%	27%
Percent with a defined benefit	32%	45%

Source: GAO analysis of 2013 Survey of Consumer Finances data. | Gao-15-419

Clearly, those without retirement savings don't have a lot to fall back on. They will be dependent upon pension plans and Social Security, as they lack other resources. However, even those with savings aren't guaranteed a comfortable retirement. Of the 59% that have saved, the median nest egg is only about \$104,000. With increasing longevity and health care costs, that probably won't be enough for a worry-free retirement.

In Table 2, you can see how much savers have actually managed to put away. Where do you fit in? No matter how you compare to your peers, though, the real comparison you need to be doing is with your ideal retirement. Many factors need to be considered to see if you are truly on track for the retirement you want.

Table 2: Distribution of Retirement Savings Amounts among Households with Some Retirement Savings, Age 55 - 64



Source: GAO analysis of 2013 Survey of Consumer Finances data. GAO-15-419

# If You Are Age 65 - 74...

So you've already blown out the candles on your 65th birthday cake? That puts you into a different age bracket for this study, one where many people are already retired. Of this group, the majority have no retirement savings at all.

Table 4: Select Resources for Households Age 65 - 74 by Ownership of Retirement Savings

Dollar figures rounded to nearest \$1000

	Household age 65 - 74 with No Retirement Savings	Households Age 65-74 with Retirement Savings
Percent of households age 65-74	52%	48%
Median Net Worth	\$86,000	\$597,000
Median Non-Retirement Financial Resources	\$4,000	\$79,000
Home Ownership Rates	77%	95%
Percent With a Defined Benefit	49%	58%

Source: GAO analysis of 2013 Survey of Consumer Finances data. GAO-15-419

Of those with savings, their net worth is substantially higher than savers a decade or two younger. The median amount saved for this group is \$148,000. That's not a lot more than the younger group, but many in the older group have already begun to spend down their savings.

Table 5: Distribution of Retirement Savings Amounts among Households with Some Retirement Savings, Age 65 - 74



Source: GAO analysis of 2013 Survey of Consumer Finances data. GAO-15-419

If you're in the top 10% with over a million dollars, you're probably set for retirement. However, if you're not, you need to take a good look at where you are and how it aligns with your retirement goals.

## How Much Do You Need For Retirement?

How do you know how much you will need to have saved for retirement? The internet hosts a plethora of retirement calculators, but they are general and generic. They don't know your health history, leisure plans in retirement, family obligations, etc.

The only way to know for sure is to sit down with someone who can analyze your unique situation. An experienced financial professional can help you come up with a retirement strategy that will give you peace of mind and concrete goals to work towards.



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## How I can Help

I have been in this industry for over a decade and love helping people gain the confidence that comes from knowing they are on track for the retirement of their dreams. Call us today at 916- 781-7493 or email [bkjohnson@ft.newyorklife.com](mailto:bkjohnson@ft.newyorklife.com). Let's get together to discuss where you are and where you want to be in retirement. Together we can map out your golden years and what it will take to get there.



### About Blaine

Blaine Johnson is an agent with New York Life Insurance Company and financial professional with nearly a decade of industry experience. He specializes in providing financial and insurance services for pre-retirees and retirees including physicians, executives, and business owners. By focusing on a particular clientele, he can provide a customized approach that responds directly to the specific needs of clients. He is a Life Underwriter Training Council Fellow and holds the Certified Long-Term Care designation. Based in Roseville, California, he works with clients throughout Sacramento and the Bay Area, as well as Southern California, Arizona, Nevada, Florida, Texas, Oregon, and Washington.

*Blaine Johnson, CLTC, LUTCF®, Member Agent, The Nautilus Group®, a service of New York Life Insurance Company. Registered Representative offering securities through NYLIFE Securities LLC, Member FINRA/SIPC, A Licensed Insurance Agency, 2999 Douglas Blvd., Suite 350, Roseville, CA 95661 (916) 781-7493. Blaine K. Johnson Insurance and Financial Services is not owned or operated by New York Life or its affiliates. New York Life and agents and employees thereof may not give legal, tax or accounting advice; everyone should seek and rely upon the counsel of his or her own financial professionals. Blaine Johnson, California Insurance License #0G27275. 1740249 exp. 6/29/2019*

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