



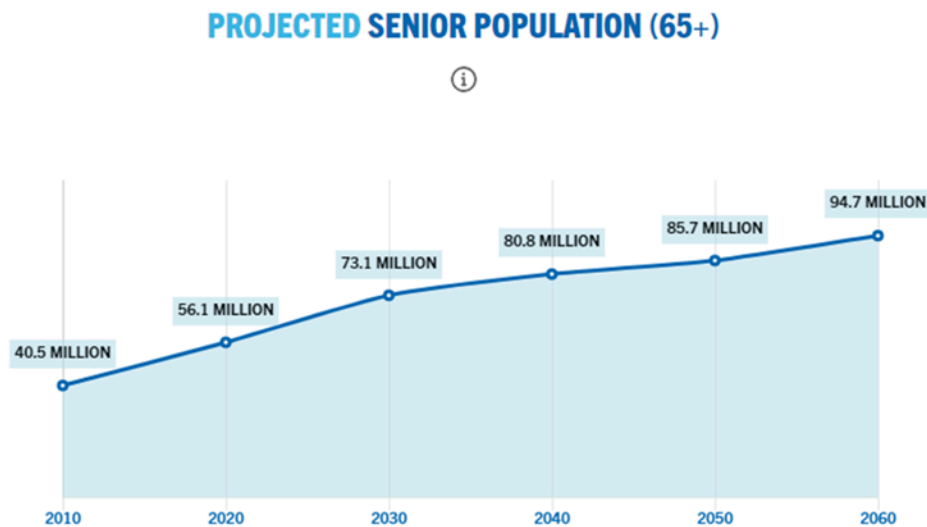
Harry's Take

May 14, 2024

U.S. Retirement Crisis Started 2010, Doubles in Number by 2040

We used to hear a lot about how there was no way our entitlements would be affordable once the Baby Boomers retired in mass. Now, the rubber is starting to meet the road. This chart shows the population of people ages 65+; it was already 40.5 million (12% of the total population) by 2010. It hit 56.1 million people, or 16%, in 2020.

Enormous: Senior Population Crisis Doubles from 2010 to 2040



Source: <https://www.pgpf.org/national-debt-clock>

www.HSDent.com

The strongest surge in number of seniors will peak by 2030, just six years from now, at 73.1 million people, or 21%. Then, the trend will slow, hitting

80.1 million by 2040—doubling the level of 2010 in just 30 years! Ultimately, the number of seniors in the U.S. could reach 94.7 million by 2060, or about 26% of the total population, give or take, depending on how much our population growth continues to slow.

The point here is obvious: You can't afford to have nearly one quarter of your population on the dole as they live 20 years or so in retirement, remaining dependent much longer than in the past—and that number of dependents does not even include kids up to age 20, the average age at which they enter the workforce! Kids under age 20 now are 25% of our population, although they are declining as a percentage as the number of retirees grows! That leaves only 55% of our population currently of working age to support both the young and the aging. That's not good, and it's a major reason why most people don't feel their lives are progressing as well as the overall economic statistics suggest.

My research has shown that the actual average age at which people retire is 63, not the official age of 65. That's likely because women tend to pull out of the workforce a little earlier than men. A lot of them entered the workforce originally to help out with the rising costs of raising kids after modern appliances automated much of housework.

The next president will be in office into 2028. By then, this strongest swell of new, Baby Boom retirees should make this crisis more obvious, as our entitlement costs will continue to surge. Hopefully, by then or in the presidential term to follow, we finally will get meaningful retirement reform. The truth is this: Given the continuing rise in life expectancy, the age range for retirement already should be 70-72, not 63-65.

It would be better to phase in this adjustment starting NOW! That's not going to happen, as it wouldn't be popular with older people, the group most likely to vote... But this has to be dealt with, ultimately, and the rising burden of an aging population both will slow productivity and will raise costs and tax burdens on those who are working, especially until the last Boomers die, around 2042.

Harry

Got a question or comment? You can contact us at info@hsdent.com.