



NEWS

AMERICANS FOR TAX REFORM

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Lifetime Savings Accounts Fact of the Day #2

Most Americans Lack Sufficient Savings For Retirement

Americans are not adequately saving for retirement. According to the Federal Reserve Board, Americans have utterly insufficient accumulated savings to provide adequate income during their retirement years. **In fact, Americans on the median have approximately one-fifth of the financial assets necessary to supplement Social Security's growingly modest benefits.** The current double taxation of savings along with the enormous complexity of existing savings incentives is working to restrict new savings

The median value for families whose heads of household were between the ages of 45 and 54 is \$45,700. To supplement Social Security's benefits, a retired individual or couple in good health will need, in today's dollars, at least \$20,000 per year, an income that could be reasonably be expected from a retirement annuity of \$250,000. **If we use the same assumptions for a retirement annuity of less that \$50,000, that household can expect an annuity income of around \$4,000 per year.** This huge difference becomes exacerbated if either spouse requires extended nursing home care or assisted living. Unless working age Americans start saving now, this nation will be faced with a fiscal crisis.

Median Value of Financial Assets of U.S. Families That Have Financial Assets

Age of Head of Family (Years)	Median Value (\$1000s)	Percentage of Families Having Some Assets
Less than 35	6.3	84.8
35-44	26.9	90.2
45-54	45.7	90.6
55-64	56.6	87.5
65-74	51.4	92.4
75 or older	40.0	91.4

Support Lifetime Savings Accounts Now!!

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases.