Retirement plan

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2009 closed down with a big question on Retirement Funds. Public and private pensions were left with massive unfunded liabilities. After a several large bailouts and stimulus plans, the government is now running in a huge deficit. Many people have given up hope to retire on their social security. However, the biggest worry started after the crash of the stock market. Some long-term investments were completely gone, as well as many defined contributed retirement plans. At the same time, companies with defined benefit plans are struggling to survive, with the most talked-about example being General Motors. As a result, an increasing number of firms are lobbying Congress for pension relief. Government, companies and financial advisors are looking at many different ways to resolve this pension issue for long term stability. Some of the most talked about solutions are to increase in savings and educate investors to better manage their plans. The following two models presents how increase in savings can benefit the society in the long run: