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How Not to Ruin Your Life

by Ben Stein

Standards of Life in the Future: Think Grim

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I've had a couple of bad experiences recently that sharpened my worry about what life will be like for retirees in the future -- I fear that a catastrophe of declining standards of life is heading our way.

I'm thinking about how bad it has gotten in terms of how customers are treated. A few days ago, I called the saleswoman at an auto dealer who sold me my last car a few years ago. I asked her to come over and show me the newest model of my car and told her if I liked it, I would buy it on the spot.

"Sorry," she said. "Too busy."

"Really? Are you selling that many Cadillacs?"

"Well, I'm not really selling any, but a lot of people are looking and wasting my time," she said.

"But you know I'm a qualified buyer who has bought from you before," I protested.

"Maybe I'll fax you some stats," she said helpfully. I never got them.

How Much Worse for the Masses?

Today, I was supposed to have a nice comfy seat on United Airlines. Full-fare first class. When I got to the gate, the agent said my seat had been changed to one up against the bulkhead, and there was no way she could move me. No apology, not even looking me in the eyes.

On the plane, no flight attendant would help until an older one, from the days when United actually had some self-respect, asked a young man to change with me. He did, and I was happy. But meanwhile, the flight attendant who did help me told me I was the only full-fare first-class passenger in the cabin, and still no one had wanted to help me until she came along.

My point is how terrible service is -- even at the higher end in 2006 -- and then to add this chilling thought: If this is how bad it is at the high end now, can you imagine how awful it'll be for everyone in 2020? When all vestiges of service are gone? When no one speaks English? When all customers are just ciphers?

Look at it this way: Think of the most crowded freeway you're on every day. Imagine what it'll be like in 10 years. That's what hospitals will be like -- if they're not that way right now.

Retiree Vulnerability

To make the situation worse, retirees and those who will soon retire are far from financial safety (see "[Living Hand to Mouth -- and Barely Getting By](#)"). I recently calculated that the Baby Boomers need to have saved -- on average -- \$400,000 per household to even start to come up with what they need to live on. Instead, they have saved about \$50,000 per household if they have a rental home and about \$110,000 if they own their home.

So, what will they do when they retire? What will it be like to cut pills in half, to have to sell your home and move into a trailer, to be faced with unaffordable repairs for your car?

Try this experiment: Imagine you have to slash your spending by half. What goes first? Restaurant meals -- fine. Vacations -- fine. New clothes -- fine. But that won't even come close to cutting spending in half for most people.

The sad fact is that retirees will suffer. And for the leading edge of the Boomers is: It's too late. Many of them cannot escape a drastic ratcheting

down in income and lifestyle. A crisis akin to the Great Depression is racing our way: A ruinous drop in standards of life.

Shoring Up Your Retirement Savings

What will it be like to live in the horrible new dog-eat-dog world, with no one caring whether you live or die -- and have no money? What will it be like on that crowded freeway? You don't want to find out.

How do we get to high ground? I suggest -- unless you're already on track to have 15 times what you need to live on at retirement socked away by age 65 -- taking 20 percent of your paycheck if you possibly can, putting it in the Fidelity Fund ([FFIDX](#)) or the Vanguard Total Stock Market Index Fund ([VTSMX](#)) until you're 55, then putting half of it into the Fidelity Total Bond Fund ([FTBFX](#)) or Vanguard Total Bond Market Index Fund ([VBMFX](#)).

Maybe if you have a few bucks extra, buy the iShares MSCI Emerging Markets Index ETF ([EEM](#)) or the iShares Russell 2000 Value Index ETF ([IWN](#)) for developing market or small-cap exposure. But for heaven's sake, do it now.

When you get to 65, put half of it into a fixed or variable annuity -- chosen so you know what every dime in expenses goes for and without buying anything you don't need or understand -- and then know you won't totally run out of money ever (see "[A Retirement Portfolio With Staying Power](#)"). Or do something else with a reputable financial planner.

But be very scared -- and start doing something about it now. Tomorrow is too late. Do it now.

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