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Retirement Investing by the Numbers

Sometimes you can boil down what seems to be hard decisions into simple numbers that make the decision a whole lot easier. Deciding to invest in stocks long term can be one of those times. Consider these important figures:

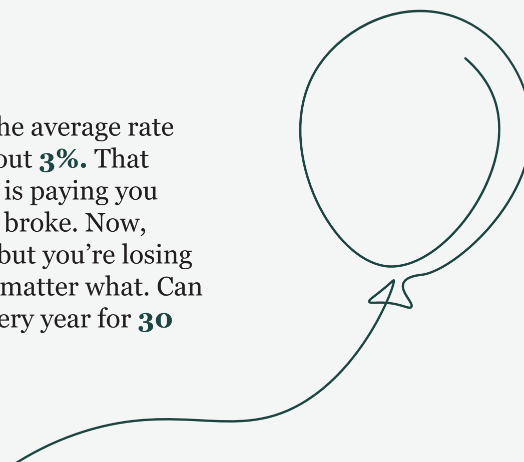
62 The age average retiree in the US will start enjoying their "golden" years

30 Average additional years that at least one in the married couple will live after retirement

50 Percent of couples who will have at least one spouse live longer than the additional 30 years

With that in mind, bank CDs and fixed annuities are no longer the "safe" investment they once were perceived to be, and here's why:

Since 1926, through 2020, the average rate of inflation has been just about **3%.** That means, if your "safe" money is paying you LESS than **3%**, you're going broke. Now, you're going broke "safely," but you're losing ground every single year no matter what. Can you afford to lose ground every year for **30** more years?



What's the *solution?*

Well, over that same 95-year time span, the return on high quality stocks have been about **10%**, while the return on similarly high-quality bonds has been roughly **6%.** That means that over time, high quality stocks have increased purchasing power, in real terms, at a rate of 7% annually and high-quality bonds have increased it by **3%.**

These figures should be striking! Conventional wisdom has often said that the older you get the more conservative you should be with your money. And to some small extent that may be true. But, for the average retiree, facing 20 or more years of retirement, the numbers tell a very different story. They tell us that the only "safe" way to invest is to be committed to the long-term value that equities hold for investors. Count on it!

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