

Letter to the Editor, Washington Post: Retirement Doesn't Have to Be a Dream

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The energy and spirit of Tom Palome are admirable. But the answer to your headline – ‘[How a six-figure salary can turn into working two part-time jobs at age 77](#)’ – is buried in the 32nd paragraph of the story: Though he has income from Social Security and a pension from a previous employer, Palome didn't set up an individual retirement account (IRA) or take advantage of the tax-deferred saving plans available to him during his years as a consultant. Palome has no retirement plan assets because, regrettably, he didn't plan for retirement.

Fortunately – and contrary to the theme of your story – his is not the typical case. Academic research shows that households approaching retirement generally are accumulating sufficient resources to maintain their standard of living after they retire (see [Are American Saving Optimally for Retirement?](#) and [The Interplay of Wealth, Retirement Decisions, Policy and Economic Shocks](#) for more information). The majority of Americans approaching retirement (eight out of 10 households) have resources from employer plans or IRAs, with seven in 10 owning retirement assets (see [The Success of the U.S. Retirement System](#))

The public understands this: In annual surveys since 2009, about three-quarters of all households have expressed confidence that defined contribution plans such as 401(k)s can help savers meet their retirement goals (see [America's Commitment to Retirement Security: Investor Attitudes and Actions, 2013](#)). Today's retirement system is working, and working well, for millions of Americans.

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