

PA House Aging & Older Adult Services Committee

Addendum to Prepared Statement

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1. *"We are about to face a demographically driven shortfall in labor that will make the late 1990's seem like a minor irritation.*

Anthony Carnevale,
Former Chairman of the National Commission for Employment Policy

2. An analysis by McKinsey & Company identified *four* distinct economic segments of roughly equal size within the Baby Boom generation:

- "Affluent" Boomers, with an average net worth of \$1.2 million, who are prepared for their retirement years.
- "Unprepared but aware" Boomers, who have an average net worth of \$180,000, spend more than they earn, and know they will have to make changes to retire in comfort.
- "Unprepared and unaware" Boomers, who are in the same financial shape as the "aware" segment but do not realize they won't be able to maintain a high standard of living if and when they retire.
- "Disadvantaged" Boomers, with an average net worth of \$75,000 and an average income of just \$15,000 a year, who are worried about their ability to support themselves at all when they retire.

What all four segments have in common is that they either need, or want to keep working past the traditional retirement age. ***McKinsey found that 84 percent of the Boomers it surveyed planned to keep working even after they formally retired, and two of every three Boomers admitted they can't imagine ever retiring completely.***

McKinsey's analysis revealed that ***60 percent of Boomers will need to work*** to maintain 80 percent of their current consumption, and that more than 40 percent, or 29 million people, will be working at age 65. By comparison, only half as many members of the Silent Generation — 14 million people, or 30 percent — were working at the same age.

Source: *McKinsey Quarterly*, November 2007, "Serving Aging Baby Boomers"

3. Of public high school students who entered 9th grade in Pennsylvania during the 2001-02 school year, **22 percent failed to graduate** four years later. Nationally, research puts the graduation rate between 68 and 71 percent, which means that almost one-third of all public high school students in America fail to graduate. Breaking it down even further, **every 29 seconds another student gives up on school**, resulting in more than one million American high school students who drop out every year.