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"HOUSTON, We Have a Problem"

(AS DOES NEW YORK, Green Bay, and Kansas City, too.) Remember that line? It's from the 1995 movie *Apollo 13*, the moon mission that almost ended in outer space.

The three astronauts on board *Apollo 13*, you may recall, had a big problem. An electrical fire ignited an oxygen tank and had blown out an entire section of their fragile ship. And with those words, "Houston, we have a problem," the astronauts called Mission Control to see if anything could be done to get them home. You probably know they made it—but only by the skin of their teeth.

Their particular resourcefulness and good fortune are not, however, going to save your own future retirement as you hurtle through space and time toward your tomorrow.

So, if you've read this far, congratulations. Maybe you're ready to ask, "What can I do?"

I was hoping you'd ask.

First, stop spending so much money.

Now!

Today.

Stop threatening tomorrow by squandering what you still have today. Stop the leak in your boat.

Stopping will not, of course, be easy. Like smoking and overeating, it's hard to cut spending cold turkey. You may have even tried many times before—with no success!

But consider the potential train wreck barreling down the track:

- ✔ On average, you're going to live 20 or more years in retirement—women probably longer—whether you're prepared to live 20 years more or not . . . whether you have the money or not.

- ✔ On average, people think they will spend *less* money in retirement. "Twenty percent less" is often cited, because of, for example, lower commuting expenses and less need to buy nice work clothes. However, this assumption is more often just wishful thinking.

- ✔ On average, the more you earned during your work life, the less income—percentage-wise—Social

Security will replace. And what about health care costs? Medicare, which will help, won't kick in until you reach 65. Period. And while no one in this world knows the future, the Social Security trust fund seems to be running out of money faster than previously thought. The further below, say, age 45 you are today, the less certain you should be that Social Security will look and act as it does now. More likely, it will look worse.

✔ On average, count on inflation. Given the kinds of governmental budget deficits that are being created today, count on more than we've seen in a while. However, even "a little bit" of inflation can be like a "little" colony of termites in your basement. Can a few termites hurt that much? Well, with inflation of "only" 5% a year, your purchasing power (or savings) will be cut in half in just 12 years. Even at 3%, your money will be halved in about 20. This is not good news.

✔ On average, most of us want to help our kids (or grandkids) through college. Or we'd like to assist our elderly parents. Maybe we have charitable interests we'd like to support, not to mention crisis victims or other urgent causes around the world. "Hoping" we'll be able to do any of this is fine. But hoping is no way to fund a lifestyle of generosity, let alone a retirement lasting two decades or more.

✔ On average, back in 1950, there were 16.1 workers supporting every Social Security beneficiary. Today, they are only 3.4. And by 2040? There will be only 2.1 workers. Even conservative estimates point to the entire system running out of money in a couple of decades. (We'll look at this more closely in the next chapter.)

And speaking of running out of money, so too are many of us. Lots of us are running on empty when it comes to our own retirements. We're living paycheck to paycheck—two weeks at best from insolvency. Too many are addicted to unsustainable lifestyles. We don't have enough for today, and we don't want to think about tomorrow. And as for retiring early—the dream of so many? For most of us, it's just a mirage.

These are ugly facts, my friends. But facts they are. And as adults, let alone as people who may want to help others, we need to face the facts.