



Written by [Bob Adelman](#) on February 24, 2011

The Great Recession and American Boomer Reality

In its extensive study of how the Boomer generation is faring, the Wall Street Journal focused mostly on their difficulties, challenges, disappointments and missed opportunities. It had little to say about the outside event no one saw coming, the Great Recession, and nothing at all about the resilience of the individuals moving into what used to be called the “golden” years.

For example, Steven Rutschmann, age 60, has a 401(k) plan with about \$500,000 in it, and his wife also has a 401(k) plan and is expecting a small pension when she retires from her nursing position. They went to see a financial planner who told them that they didn’t have enough, that his savings could run out before he turns 85. Their plans to retire, to do some hunting and fishing and hiking, had to be put on hold. “I was disappointed,” said Rutschmann, who now plans to work for several more years before retiring for good.



One is left almost feeling sorry for Rutschmann. His 401(k) plans were heavily damaged in the Great Recession, and he’s planning to work a little longer. Considering the impact outside events have had on his plans: the dot.com implosion in the late ‘90s, the flat performance in the stock market over the past 10 years, the increasing cost of living — Rutschmann is doing very well indeed. He has to make some adjustments to his expectations, of course, but where else but in America could he live as well, even after those adjustments?

Or how about Gloria Moss, in more modest circumstances. She started investing in a 401(k) in 1985 even while helping put her children through college. She was prudent, but the Great Recession hit her hard. She put the balance of her account into bonds, and missed the big rally in stocks since last summer. She said, “I thought I was doing the right thing, and found out otherwise...I will have \$25,000 to \$30,000 a year less than I anticipated having.”

She sold her condominium on the shore of the Atlantic Ocean, bought a less expensive home inland, and has simply decided to face reality: “I am going to...have to work considerably longer than I anticipated ... [probably] well into my sixties.”

John Mastej had to suck it up as well. Back in 2008 he thought he was on track to retire in a few years. He and his wife both had 401(k) plans, and savings of \$200,000. But the Great Recession put him out of work for two years, and the savings are now pretty much gone. He has found a job at a specialty food store making half what he did before. But they have adjusted: “We don’t go out to dinner. We don’t do much entertaining. I will probably end up having to work for another 10 years.”



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Patti and Bob Webster were building their dream house in North Carolina in 2007 when the housing bubble collapsed, taking their builder with it. Their savings declined by 40 percent. And yet, they persisted. They completed the home themselves, and have adjusted to a more austere lifestyle. Patti said, "We thought we had the perfect plan. When the bottom fell out of the market, it kind of fell out of our perfect plan as well."

These are stories of real people living out what many have predicted for years. Two economists, Dean Baker and David Risnick, in their book *The Impact of the Housing Crash on Family Wealth*, estimated that the housing crash "is likely to eliminate most, if not all, of the gains that families had made in accumulating wealth over the last two decades. "

Nevertheless, it is helpful to remember that in spite of the Great Recession, the worst since the '30's, most individuals have been able to adjust to the new reality without having to live in tents, stand in food lines, or move in with relatives. As noted by [Economics Expert](#), "the standard of living in the United States is one of the highest in the world by almost any measure ... the number of televisions, vehicles and other such products per person are considerably higher than in any other country. "

That standard of living, especially that enjoyed by the middle class, has been the envy, and the target, of individuals and groups around the world for decades. Despite ongoing political dissent, nearly unsustainable debt, and a federal government bent on "spreading the wealth," despite all of that, America remains a most highly favored place to live.



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