



# Baby Boomers Are Jamming Retirement Traffic— So What Now?

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The story goes like this: Between 1946 and 1964, a bunch of American parents made an estimated 70 to 80 million babies. This baby boom has been very good for America as a whole. That's because, as you'd expect, these babies needed things like food, clothing, toys, and education...and they grew up to become doctors, lawyers, police officers, teachers, factory workers, and fire fighters...and they bought houses, cars (and SUVs), computers, clothes... and they all pay taxes—Uncle Sam was definitely looking forward to that day.

That was a crash course in Macroeconomics, but it provides a fairly good idea about what an awesome impact the baby boomers (and all other generations, for that matter) have had on our economy.

However, if you do some quick math, you'll realize that some of these 70 to 80 million boomers are starting to turn 65. In fact, beginning January 1, 2011, and for the next 19 years, an estimated 10,000 baby boomers will turn age 65 daily! That's 1 boomer reaching retirement age every 8 seconds for the next 19 years straight! Here's why this trend could cause huge tax problems for you.

By turning 65 years old, these baby boomers become eligible for Medicare. "So what's the big deal?" you may ask. "They've paid into Medicare all their working lives for this very day." You're correct on the part about their paying in. But the federal government has not been holding those payments in an account so that they can be used for Medicare payments once they turn 65. That's the theory in principle, but the reality in Washington, D.C. is actually quite different.

As a matter of fact, as we speak, Medicare is saddled with a \$23 trillion unfunded liability problem. That's the difference between the benefits promised and the tax revenue actually being paid into the program today. As crazy as this may sound, the reality is that the federal government never kept those taxes that were deducted from these baby boomers' (or anyone else's) paychecks.

Just so we are clear, we're not suggesting that these retiring boomers will be denied their benefits, because we don't believe that in the slightest sense. Regardless of which party is in office, that would just not happen. However, this leaves only one option—bringing in enough revenue today to cover the benefits for the

enormous generation of retiring baby boomers. Here's the thing: *100 percent of that revenue must come from taxes!*

Now, in the face of this new reality, where would you think tax rates are headed? Up, of course! No honest, realistic individual would dispute this. Yes, we have an extension of the historically low tax rates for two more years. But don't forget that Congress refers to those rates as "a temporary extension." Also, you can't ignore the Congressional Budget Office's conclusion to a May 2008 report, titled *The Long-Term Economic Effects of Some Alternative Budget Policies*, which sought to address the financial outlook of Medicare, Medicaid, and Social Security: "...At some point, policymakers will have to increase taxes..."

**Do YOU, As an Individual, Have a Plan to Protect YOUR Retirement Dollars From Higher Taxes?**

Could you postpone your taxes forever? Higher taxes means much less money for you to live on in retirement or ultimately transfer to your heirs, and waiting for tax rates to increase before trying to change gears is not even a remotely good idea. Whether you are already retired or retirement is still down the road, there are legitimate options you could employ *today* to ensure that your retirement assets are immune from looming tax increases so that you can keep more of your hard-earned dollars.

Come join us for an educational workshop entitled *Get to Enjoy Your Retirement Income, Tax-Free!* at 11:30 a.m. on Saturday May 21, 2011, at the Holiday Inn—right next to Ikea, off Exit 25A in College Park, Maryland. Admission is *free* and there's absolutely *no-obligation* whatsoever, but seating is limited so we encourage you to reserve yours today by calling (301) 949-4449 or visiting [LaserFG.com](http://LaserFG.com). Complimentary copies of the acclaimed book, *5 Mistakes Your Financial Advisor Is Making*, will be distributed at this event. ❀



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**Tax-Free Retirement Income:**  
*Excellent Idea!*

- tax-free accumulation
- tax-free access
- income-tax free transfer to heirs

**Discovering the Facts:**  
*A Pretty Smart Move!*

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