

# RETIREMENT PLANS THAT “CLEARLY” WORK FOR YOU.

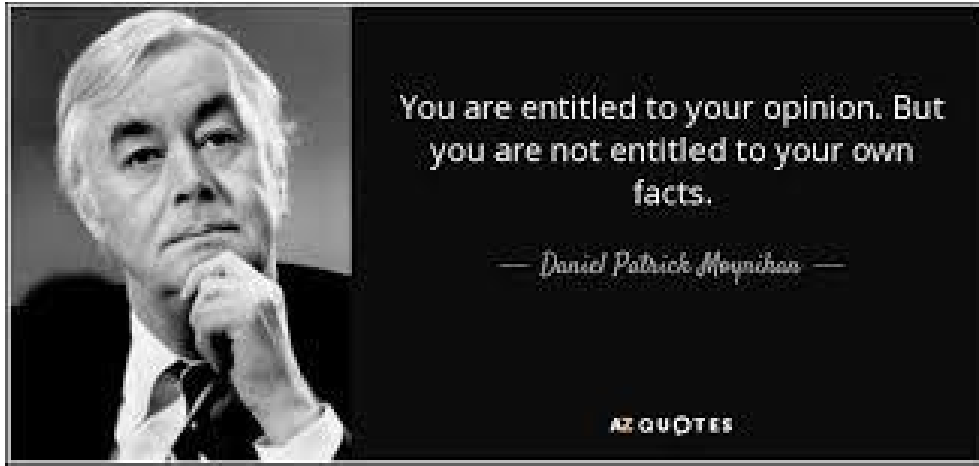


Prizant Group



Image by Heritage Auctions, MAJ001

**“People will believe a big lie sooner than a little one, and if you repeat it frequently enough, people will sooner or later believe it.” — Walter Langer**



## FIT TO BE TIED: Extremely Angry, Enraged

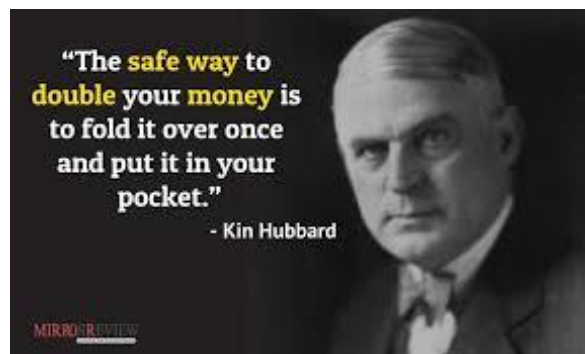


Fit to be tied describes someone who is extremely angry, someone who is enraged. Fit to be tied evokes a picture of someone who is so angry that he must be tied up to restrain him from committing an act of aggression. Of course, in most cases fit to be tied is an exaggeration of a person's state of mind. First appearing in the early 1800s, fit to be tied alludes to the practice of tying up uncontrollable mental patients. This practice of tying up mental patients with rope or cloth gave way to the straitjacket, which was invented in France around 1790. The straitjacket covers each arm and hand, which are then wrapped around and fastened in the back. It is so difficult to escape from a straitjacket that the act is often depicted in magic shows. Though the earliest known use of the term fit to be tied comes from the United Kingdom, fit to be tied is a well-known idiom popular in the United States, particularly the southern area. [Tied](#)



*Joe Friday, is forever associated with the line, "Just the facts, ma'am." He never said it. In the 1953 episode "The Big Lease," Friday tells the main suspect, one Mrs. Banner (Sarah Selby), "All we know are the facts, ma'am." Again, it doesn't quite roll off the tongue with the same pop. Jan 17, 2020*

Dragnet



I understand skepticism for our elected officials in Washington D.C. and their motives. And though I believe in the wonders of vaccines being a child of the 1950's (Polio, Measles, Mumps, Chicken Pox, Rubella, Meningitis, Cholera, Yellow Fever, Typhoid et. al.), I also know children physically damaged from birth by Thalidomide and just look at the deleterious effect of Oxycontin on our population [Oxycontin](#). Nonetheless, the reluctance that is taking place in this country over the COVID-19 vaccine is beyond my comprehension. Adverse reactions to the new mRNA vaccines are infinitesimal. [MRNA Vaccines](#) Finally, the mere mention of Josef Mengele (a.k.a The Angel of Death) as being "comparable" to the esteemed Dr. Anthony Fauci [Mengele/Fauci](#) or saying that the HIV/AIDS epidemic was "overhyped": makes me **"Fit To Be Tied!"** [AIDS Epidemic](#) Thus, for my last Missive of 2021, I am going to stay on the **True Facts Bus**" (and not Kelly Anne Conway "Alternative Facts" [Alternative Facts](#)

Facts:

## 2020 Presidential Election (Electoral Votes)

**Biden: 306**

**Trump: 232**

## 2020 Presidential Election (Popular Vote)

**Biden: 81,283,098**

**Trump: 74,222,958**

### Votes

## COVID 19 Related Deaths in U.S.

**2020: 385,000**

**2021: 386,000 (11.22.21)**

### COVID 19 Deaths

## Flu Related Deaths in U.S.

**2018-2019: 24,200**

**2019-2020: 22,000**

### Flu Deaths

## Spanish Flu-1918 Related Deaths in U.S.: 675,000

### Spanish Flu 1918

## HIV/AIDS related deaths in U.S.

**\*700,000 (since start of epidemic)**

### HIV/AIDS

## Annual Worldwide HIV/AIDS related deaths: 1,000,000

### Worldwide HIV/AIDS Deaths

In a nation of spenders, the advent of the "Great Pandemic of 2020" had a serious effect on the nation's personal savings rate. The rate, which normally runs around 6-7%, skyrocketed to a high of 33.8%. Obviously, with an economy that is 70% consumer driven, that savings rate would eventually come back down to earth. The desire to "**squirrel away money for a rainy day**" is really not woven into the national fabric ( now you see why I have "**Rocket J. Squirrel**" as this month's attention grabber and have to wonder what really goes on inside my head). If it was, the retirement plan marketplace would need less marketing/sales and more people to handle ERISA retirement plans.

## Rocky

**UP AND DOWN** - The nation's personal savings rate, which soared during the early months of the pandemic, has now fallen back to its pre-pandemic levels. The savings rate was 7.5% in November 2019, rose to 33.8% in April 2020, and now has come back to 7.5% in September 2021 (source: Bureau of Economic Analysis).

### Household Savings Rate

Based on the following factoid from the Bureau of Labor Statistics, a 51% participant rate is abysmal and needs to dramatically improve. I often wonder as I am giving my "Dancing Bear Show" to disinterested employees about the **"Need to Save For Retirement;"** if these people either have trust funds, oil wells pumping in the backyard, mining bitcoin in their basements, or running illicit drug operations? Once again, American Exceptionalism at its profound best!

**TAKE-UP" RATE** - 68% of American workers in the private sector worked for employers that provided retirement benefits as of 3/31/21. 51% of the 68% who had access to a plan elected to participate in their company's retirement plan (e.g., 401(k) plan) (source: Bureau of Labor Statistics).

And finally, the IRS Deferral Limit for 2022 for 401(k)/403(b)/457 (excluding Catch-Up) is **\$20,500**.

The "median deferral rate" is **10%** [Deferral Rate](#) which is an improvement from years past. I wonder how many participants hit the IRS Deferral Limits every year? My guess is it is "few and far between."

**SAVING FOR RETIREMENT** - The 401(k) individual pre-tax contribution limit will be \$20,500 in 2022, up from \$17,000 in 2012 or 10 years earlier. If the same inflation adjustments that have occurred over the last 10 years repeat over the next decade, the 401(k) individual pre-tax contribution limit will be \$24,721 in 2032 (source: IRS).

The old axiom of "Letting Your Money Grow" is tried and true. Start early, keep increasing contributions, and let time work in your favor.

**USE TIME TO YOUR ADVANTAGE** - \$522 invested at the beginning of every month for 40 years earning 6% per year will accumulate to \$1 million. \$1,021 invested at the beginning of every month for 30 years earning 6% per year will accumulate to \$1 million. This hypothetical example is for illustrative purposes

only and are not intended to predict the returns of any investment choices. Investing involves the risk of loss, including loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable for a client's investment portfolio.

The calculations ignore the impact of taxes and are for illustrative purposes only and are not intended to reflect any specific investment alternative (source: BTN Research 11.22.21)



I have been using around \$35,000 for the average car price in the U.S. so when I read the Kelly Blue Book blurb below; I was aghast. And you wonder why the "Average Car Loan Length" is 67 months and climbing! [Car Loan](#)

**JUST AN AVERAGE CAR - The average new car purchased in the United States in September 2021 cost \$45,031, an all-time record price and up +12.1% from \$40,159 as of September 2020 (source: Kelley Blue Book).**

[Little Deuce Coup](#)

We, at, The Prizant Group, realize that the last two years of the COVID epidemic have extracted a financial toll on the American worker. The prospect of a serious inflationary cycle adds to the economic challenge. We suggest that our retirement plan participants **"Crawl Before They Walk"** and start small with their payroll contributions. We strongly encourage our plan sponsors to provide a "meaningful" match or profit sharing contribution. The prospect of record keepers adding additional contribution "buckets" (i.e. emergency savings, tuition reimbursement, annuities) to their offerings can only be a positive for average American covered by a plan. A revamp of the entire retirement plan system is in order, but change comes slowly and haltingly. We look to 2022 as another change to create a better retirement system for the "99%" instead of the elite "1%."

**Lest we forget: Merry Christmas, Happy Hanukkah, Joyous Kwanzaa, Happy Diwali (my sincerest apologies if I have forgotten your religious**

**holiday at this time of the year) and a Happy, Healthy, Prosperous New Year!** We will end with "Joy To The World" by Three Dog Night (never a big fan, but it is the holiday season). [Joy to the World](#)

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