
RETIREMENT LECTURE – ANTHONY DILLON – 11.14.2025

Quick recap

The main focus began with retirement planning and financial education, where the instructor covered various topics including investment strategies, compound interest, and the history of retirement savings plans like 401Ks. The discussion concluded with an examination of Social Security's current state and challenges, including its financial sustainability and various proposed solutions, along with an overview of different retirement planning options and strategies.

Next steps

- Still Hope's Retirement Home: Internships available
- Still Hope's Retirement Home include technology training

Summary

Retirement Planning and Investment Strategies

The instructor discussed retirement planning and the importance of investing early, using an example to illustrate the power of compound interest. He explained how different investment strategies affect retirement savings over time, emphasizing that starting to invest early and consistently can lead to significantly more wealth than starting later, even if the total investment amount is similar. The instructor also provided updates on upcoming company visits and internship opportunities, and reviewed the grading system for the class, including bonus points for participation in extra activities.

Understanding 401K Retirement Savings

The instructor discussed the importance of banking money early in life through compound interest and the history of the 401K retirement plan. He explained that the 401K was created by Ted Benna in 1981 as a tax-free retirement savings option for employees, which has largely replaced traditional pensions. The instructor noted that while 401Ks require more active management than pensions, recent legislation has made them more automatic through auto-enrollment and increased contributions. He concluded by highlighting the challenges of market volatility in retirement savings and the need for substantial savings, mentioning that many Americans lack retirement savings and need to accumulate around \$1.5 million for a comfortable retirement.

Social Security System Challenges

The instructor discussed the current state and challenges of the Social Security system, highlighting its financial strain due to fewer workers contributing and more people receiving benefits. He mentioned the recent cuts at the Social Security Administration and the implementation of new technology, including AI, to improve services. He concluded by explaining

the program's origins and its role in preventing poverty among older Americans, noting that without Social Security, millions would be considered poor.

Social Security's Future Challenges

The instructor discussed the current state and future of Social Security, highlighting that if Congress does nothing, beneficiaries will receive about 80% of their current benefits by 2033. He explored various solutions, such as increasing taxes, reducing payments, raising the retirement age, and investing in the stock market, noting that Congress is likely to implement a combination of these measures at the last minute. The instructor also addressed the immediate problem of indiscriminate cuts and their impact on the agency's ability to make productive changes. He concluded by explaining tax brackets and the importance of understanding how pre-tax contributions to retirement accounts like 401(k)s can reduce taxable income, providing a strategy for saving money and optimizing tax efficiency.

Retirement Planning and Insurance Basics

The instructor discussed financial planning, emphasizing the importance of reducing taxable income and investing in retirement accounts. He explained the differences between term and permanent life insurance, noting that permanent insurance offers additional savings. The instructor also addressed Social Security, highlighting that it is intended as a supplement to retirement income rather than a primary source. He explained the benefits of delaying Social Security claims, as benefits increase with age. Additionally, The instructor mentioned state government retirement plans, specifically in South Carolina, which offer pensions after a certain number of years of service.

Retirement Planning and Pension Systems

The instructor discussed retirement planning and pension systems, explaining how state governments like South Carolina have implemented the Rule of 90, which requires workers to reach a combined total of 90 (years of age plus years of work) to retire with a pension. He also covered employer-matched 401K contributions, ranging from 3% to 10%, and recommended matching employer contributions to maximize retirement savings. The instructor explained the difference between traditional (pre-tax) and Roth (post-tax) retirement accounts, advocating for Roth accounts due to higher future tax rates, and outlined various retirement savings options including 401K, 457, and 403B accounts.

Retirement Savings and Investment Strategies

The instructor discussed retirement planning, explaining the maximum annual contributions for different retirement accounts and the importance of starting to save early. He highlighted the 4% rule for withdrawing funds in retirement and emphasized the need for a larger nest egg, around \$2 million, to support a higher lifestyle. The instructor also touched on the benefits of compound interest and the risks of self-funding retirement, suggesting that a balanced approach to investing and working longer could help mitigate these risks.