

So check this out. Schroeder's recently did a retirement survey, for 2023, and their focus was on workers between the ages of 27 and 42. And what I found interesting about this survey is that this age group felt that they needed \$1.3 million saved up to be able to retire comfortably. But within that same age group, 29% believed that they can even accomplish that goal. And I found that to be kind of puzzling, right? Why all the negativity and when I started to look further into the how, this age group allocates their retirement assets I actually found it alarming that this younger population, of the workforce, has the highest allocation to cash.

33% of workers between the ages of 27 to 42 have their retirement assets in cash. And then right after that, 31% in equities. And it now makes sense to me that the returns that they're experiencing is not going to get them anywhere to what their \$1.3 million goal is. So, I thought that this might be a good opportunity to just look at different asset classes over time and see how the performance is fared.

So, after looking at this chart, it's actually no wonder to me that the younger generation does not think that they're going to reach their retirement goals. If we look at \$100,000 investment over the last 20 years, a diversified portfolio is generating about a 7.6% in annual return. When we compare that to cash during that same timeframe, cash is only earning 1.3, which is well below inflation by the way. What's nice about this chart is that it shows different asset classes- what the average annual return was over this 20-year period. And then it also breaks it down to what \$100,000 would have grown to. So for the younger generation where 33% of their retirement savings is sitting in cash, it simply put, they're just not enough octane in the portfolio to get you to where you want to be.

So, hopefully this chart helps. We understand a portfolio construction is not the easiest thing to do, but we're here to help. And if you just want to have a conversation, feel free to reach out, all the best.