

How Pension Debts Ruined General Motors, Stopped the NYC Subways, and Bankrupted San Bernardino

The hidden crisis that's threatening the future of America



While America Aged: How Pension Debts Ruined General Motors, Stopped the NYC Subways, Bankrupted San Diego, and Loom as the Next Financial Crisis by Roger Lowenstein

★★★★☆ 4.4 out of 5

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Screen Reader : Supported
Enhanced typesetting : Enabled
X-Ray : Enabled
Word Wise : Enabled
Print length : 300 pages



Pension debts are a ticking time bomb that is threatening the future of America. These debts are so large that they could bankrupt cities, states, and even the federal government. And they're only getting worse.

The problem with pension debts is that they are hidden. They don't show up on a company's balance sheet, and they're not counted as part of the national debt. But they're just as real as any other debt, and they can have just as devastating consequences.

In recent years, pension debts have caused a number of high-profile bankruptcies. In 2009, General Motors filed for bankruptcy after it was unable to pay its pension obligations. In 2017, the New York City subway system was shut down for several hours after the city couldn't come up with the money to pay its pension obligations. And in 2018, the city of San Bernardino, California, filed for bankruptcy after it was unable to pay its pension obligations.

These are just a few examples of the devastating consequences that pension debts can have. If these debts are not addressed, they could bankrupt cities, states, and even the federal government. And they could lead to a decline in the quality of life for all Americans.

What are pension debts?

Pension debts are the difference between the amount of money that a pension fund has promised to pay its beneficiaries and the amount of money that it has in assets to cover those payments.

Pension debts can arise for a number of reasons. One reason is that pension funds often make unrealistic assumptions about the rate of return that they will earn on their investments. If the actual rate of return is lower than the assumed rate of return, the pension fund will have to make up the difference by increasing its contributions or reducing its benefits.

Another reason for pension debts is that pension funds are often underfunded. This can happen when employers fail to make their required contributions to the pension fund. It can also happen when the pension fund's assets lose value, such as during a stock market crash.

Pension debts can have a number of negative consequences. For example, they can:

- Bankrupt cities, states, and even the federal government
- Lead to a decline in the quality of life for all Americans
- Increase the cost of doing business
- Reduce the amount of money that is available for other important public services, such as education and healthcare

What can be done about pension debts?

There are a number of things that can be done to address pension debts. One is to increase the amount of money that employers contribute to their pension funds. Another is to reduce the benefits that pension funds provide. A third is to change the way that pension funds invest their assets.

There is no easy solution to the problem of pension debts. But it is a problem that needs to be addressed. If these debts are not addressed, they could have a devastating impact on the future of America.

Pension debts are a ticking time bomb that is threatening the future of America. These debts are so large that they could bankrupt cities, states, and even the federal government. And they're only getting worse.

It is important to take action to address pension debts now. If these debts are not addressed, they could have a devastating impact on the future of America.

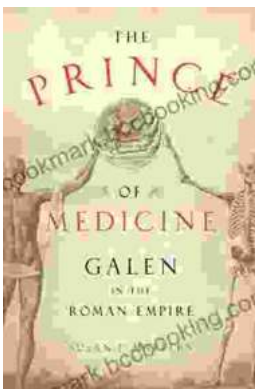
Call to action: Contact your elected officials and demand that they take action to address pension debts. The future of America depends on it.



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