

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



**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

Language : English  
File size : 825 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
X-Ray : Enabled  
Word Wise : Enabled  
Print length : 300 pages



The recent bankruptcy of the city of San Bernardino, California, is a stark reminder of the devastating impact that pension debts can have on governments and corporations alike. San Bernardino is just one of many cities and towns across the United States that are struggling to keep up with their pension obligations. In New York City, the subway system is on the brink of a shutdown due to the city's massive pension debt. And General Motors, one of the largest companies in the world, was forced into bankruptcy in 2009 in part because of its crushing pension obligations.

Pension debts are a ticking time bomb that is threatening the financial stability of our society. As more and more baby boomers retire, the cost of funding their pensions will continue to grow. This will put a strain on governments and corporations, and could lead to widespread bankruptcies and service cuts.

The problem of pension debt is a complex one, and there is no easy solution. However, there are a number of steps that can be taken to address the issue. These include:

- Reforming pension plans to make them more sustainable.
- Increasing the retirement age.
- Requiring employees to contribute more to their pensions.
- Investing pension funds more wisely.

Taking action on pension debt is essential to protecting the financial future of our governments and corporations. If we fail to act, the consequences could be devastating.

## **The Case of General Motors**

General Motors is a cautionary tale of what can happen when a company takes on too much pension debt. In the 1950s and 1960s, GM offered its employees generous pension plans. However, the company failed to properly fund these plans, and by the 1990s, GM was facing a massive pension deficit.

GM tried to address its pension deficit by cutting employee benefits and increasing contributions from employees. However, these measures were

not enough to solve the problem. In 2009, GM was forced to file for bankruptcy. The company's pension deficit was a major factor in its bankruptcy.

## **The Case of the NYC Subways**

The New York City subway system is another example of how pension debt can cripple a government agency. The city's pension system is one of the most underfunded in the country. As a result, the city has been forced to divert money from other essential services to pay for pensions.

In recent years, the city has been facing a budget crisis. The city's mayor has proposed cutting subway service to help balance the budget. However, this proposal has met with strong opposition from riders and elected officials.

The city's pension debt is a major obstacle to improving the subway system. The city needs to find a way to address its pension deficit without cutting essential services.

## **The Case of San Bernardino**

San Bernardino is the largest city in the United States to file for bankruptcy since Detroit in 2013. The city's bankruptcy was caused by a number of factors, including its pension debt.

San Bernardino's pension system was one of the most generous in the country. The city's employees were promised pensions that were based on their highest salaries, regardless of how long they worked for the city. This led to a situation where some employees were receiving pensions that were higher than their salaries when they were working.

The city's pension debt became unsustainable. The city was forced to cut essential services to pay for pensions. This led to a decline in the quality of life in San Bernardino.

In 2012, San Bernardino filed for bankruptcy. The city's pension debt was a major factor in its bankruptcy.

Pension debt is a serious problem that is threatening the financial stability of our governments and corporations. The cases of General Motors, the NYC subways, and San Bernardino are just a few examples of the devastating impact that pension debt can have.

We need to take action now to address the problem of pension debt. If we fail to act, the consequences could be devastating.

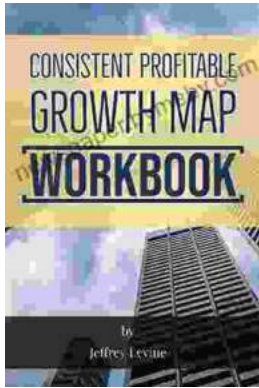


## **While America Aged: How Pension Debts Ruined General Motors, Stopped the NYC Subways, Bankrupted San Diego, and Loom as the Next Financial Crisis** by Roger Lowenstein

★★★★☆ 4.4 out of 5

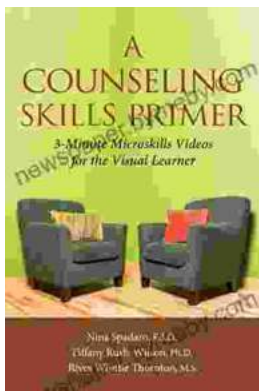
Language : English  
File size : 825 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
X-Ray : Enabled  
Word Wise : Enabled  
Print length : 300 pages





## **The Ultimate Guide to Unlocking Consistent Profitable Growth**

Introducing the 2nd Edition of the Comprehensive Guidebook: Consistent Profitable Growth Map Are you ready to embark on a transformative journey that will propel your...



## **Minute Microskills Videos: The Ultimate Guide for Visual Learners**

Unlock Your Potential with Bite-Sized Video Lessons Are you a visual learner struggling to grasp complex concepts through traditional text-based materials? Introducing...