



RETIREMENT IN AMERICA

Retirement Age

While many current workers are planning to retire “early,” workers in general plan to work longer than current retirees say they actually worked. Forty-five percent of current retirees retired earlier than planned, often for negative reasons beyond their control (e.g., health problems or changes at their company). Workers’ *expected* age of retirement and retirees’ *actual* retirement age:

	Workers	Retirees
Under Age 55	5%	15%
Age 55–59	12	16
Age 60–61	11	11
Age 62–64	11	29
Age 65	29	11
Age 66 or older	18	13

Many workers are unaware of when they will be eligible for full Social Security retirement benefits. The normal retirement age is currently rising from 65 to 67. Therefore, many workers may be making retirement plans without correct knowledge of what Social Security will provide them, and when. When workers think they will be eligible for full Social Security benefits by expected age of retirement:

	Expected Age of Retirement				
	Total	Age <60	Age 60–64	Age 65	Age 66+
4 or more years <i>earlier</i> than actual eligibility age	20%	36%	29%	16%	7%
1–3 years <i>earlier</i> than actual eligibility age	36	24	38	44	33
Correct	20	17	14	18	32
<i>Later</i> than actual eligibility age	7	5	4	7	13
Don’t know	17	17	14	16	15

Work After Retiring?

- Sixty-six percent of workers expect to work for pay after retiring.
- In 2002, 24 percent of retirees say they have worked since they retired (4 percent full time, 17 percent part time, 2 percent both full-and part time, and 1 percent seasonal or sporadic).

Major reasons for working in retirement cited by workers and retirees:

	Workers	Retirees
Enjoy working and want to stay involved	65%	56%
Keeping health insurance or other benefits	45	24
Wanting money to buy extras	33	22
Wanting money to make ends meet	33	11
Helping support children or other household members	15	4
Trying a different career	13	18

How Will I Pay for Retirement?

Largest source of retirement income (expected sources for workers and actual sources for retirees):

	Workers	Retirees
Personal savings	44%	17%
Employer-funded plans	21	25
Social Security	13	44
Employment	9	1
Sale of home or business	6	5
Other government income programs	3	5
Support from children/family	1	<0.5

Standard of Living in Retirement

- Seventeen percent of retirees report that their actual experience in retirement in terms of overall standard of living is a lot better than expected at the time they retired; 34 percent say a little better than expected, 26 percent say about the same, while 10 percent say a little worse than expected and 9 percent say a lot worse than expected.
- Among those who say their standard of living is worse than expected, 4 in 10 retirees say it is because their expenses are higher than they anticipated (38%), while one-fourth have been faced with unexpected medical expenses (26%). Twenty-four percent had misconceptions about their Social Security and pension benefits and Medicare coverage.

Source: 2002 Retirement Confidence Survey – EBRI/ASEC/Greenwald.