

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. Thirty-nine percent of current retirees retired earlier than planned. This was mostly due to 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	10	5
Age 61–64	13	29
Age 65	30	14
Age 66 or older	16	12

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	17%	24%	27%	11%	10%
1–3 years <i>earlier</i> than actual eligibility age	38	31	34	52	29
Correct	15	13	17	13	23
Later than actual eligibility age	7	3	6	3	19
Don't know	20	25	13	19	15

Work After Retiring?

- Sixty-one percent of workers expect to work for pay after retiring.
- In 2001, 26 percent of retirees say they have worked since they retired (2 percent full time, 18 percent part time, 2 percent both full and part time, and 3 percent seasonal or sporadic).

Major reasons for working in retirement cited by retirees:

	Retirees
Enjoy work and want to stay involved	53%
To have money to buy extras	30
To keep health insurance or other benefits	24
To have money to make ends meet	22
To try a different career	15
To help support children or other household members	5

How Will I Pay for Retirement?

Largest source of retirement income for current retirees:

	<u>Retirees</u>
Social Security	42%
Employer-funded plans	23
Personal savings	21
Other government income programs	6
Sale of home or business	3
Employment	1
Support from children/family	0

Standard of Living in Retirement

- Almost half (47 percent) of retirees report that their current total household income after retirement (including Social Security, money provided through an employer, money drawn from savings, etc.) is lower than it was right before they retired, 20 percent report it is higher, while 31 percent say it is about the same.
- Twelve 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; 25 percent say a little better than expected, 40 percent say about the same, while 10 percent say a little worse than expected and 8 percent say a lot worse than expected.

Source: 2001 Retirement Confidence Survey.