

LGBTQ Americans Are More Likely to Retire Earlier Than Planned: What Are the Reasons and Implications?

LGBTQ Americans are less likely to have saved for retirement and are less likely to be working with a financial advisor or representative, according to the [2022 Retirement Confidence Survey](#). However, they are more likely to retire earlier than planned. Retiring earlier than planned can result in many issues for retirees, such as running short of money due to tapping into retirement accounts earlier than expected and having fewer years to accumulate retirement assets. Pinpointing the reasons why LGBTQ retirees retired earlier is important in understanding the impact of this phenomenon. This *Fast Fact* examines the retirement decisions of retirees, including the reasons they retired.

The 2022 Retirement Confidence Survey (RCS) contained an oversample of LGBTQ Americans to examine the issues that these Americans face when preparing financially for retirement. The oversample allows for a closer examination among this group to better understand any issues or barriers they may face preparing for retirement. Just under half (49 percent) of the oversample reported being bisexual, 46 percent reported being gay or lesbian, and the rest reported other sexual orientations.

Actual Retirement vs. Plans to Retire

Interestingly, the ages at which people retired do not significantly differ between LGBTQ and non-LGBTQ Americans. However, when retirees are asked if they retired earlier than planned, about when planned, or later than planned, LGBTQ retirees are more likely to say that they had retired earlier than planned (Figure 1).¹ In fact, 60 percent of LGBTQ retirees say they retired earlier than planned compared with 47 percent of non-LGBTQ retirees. This higher likelihood of retiring earlier than planned among the LGBTQ retirees only occurred among those in the upper two examined income groups (Figure 2).

Figure 1
Share of Retirees Who Retired Earlier, Later, or When Planned, by LGBTQ Status

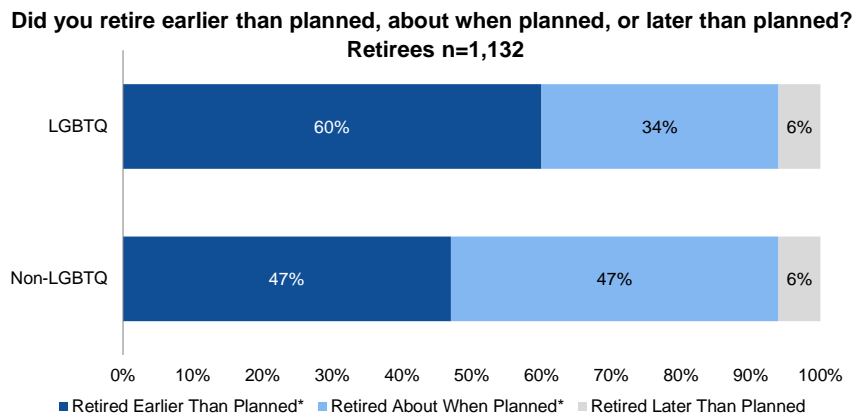
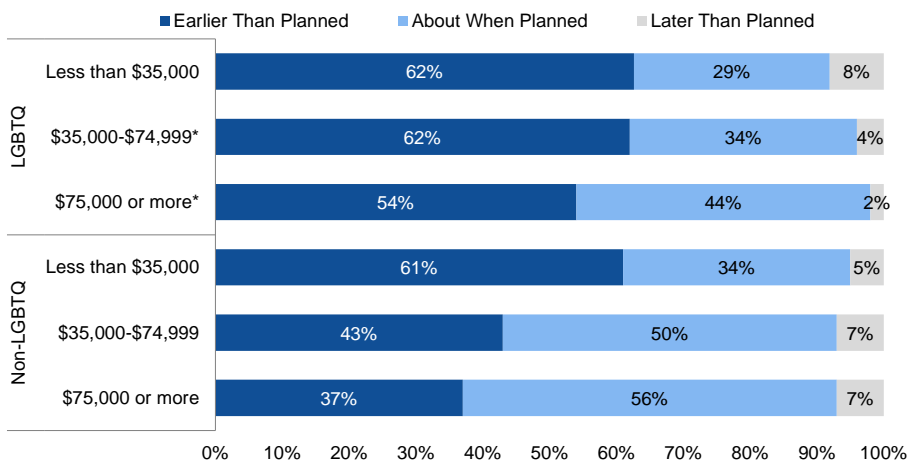


Figure 2
Share of Retirees Who Retired Earlier, Later, or
When Planned, by LGBTQ Status and Income

Did you retire earlier than planned, about when planned, or later than planned?
Retirees: n=1,132



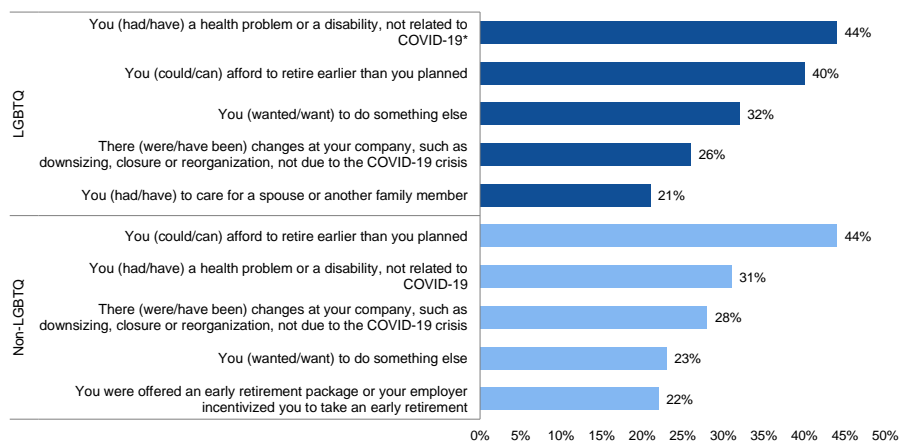
Source: Employee Benefit Research Institute and Greenwald Research 2022 Retirement Confidence Survey.

Reasons for Retiring Earlier Than Planned

When asked about the reasons for retiring earlier than planned, the same top two reasons are cited by both LGBTQ and non-LGBTQ retirees: being able to afford to retire earlier than planned and having a health problem or disability not related to COVID-19. Indeed, the same proportion of both cohorts report the former — positive — reason to retire earlier than planned, whereas LGBTQ retirees are more likely to report the latter — negative — reason to retire earlier than planned (Figure 3). Further, it is important to note that if LGBTQ Americans are more likely to be faced with a health issue in retirement, this can add additional expenses. Given that LGBTQ workers report being less likely to have saved for retirement, this compounds the financial risks they face in retirement.

Figure 3
Five Most Cited Reasons for Retiring Earlier Than Planned,
by LGBTQ Status

Did you retire earlier than you planned because...?
Retired earlier than planned, n=597



Source: Employee Benefit Research Institute and Greenwald Research 2022 Retirement Confidence Survey.

Conclusion

LGBTQ Americans have similar levels of confidence in their retirement prospects when compared with non-LGBTQ retirees. But the evidence from the 2022 Retirement Confidence Survey shows that LGBTQ Americans are *not* as likely to have taken actions that can better prepare them financially for retirement as their non-LGBTQ counterparts. Yet, they are more likely to retire earlier than planned because of having health or disability issues that can also have a significant negative impact on retirees' finances. Efforts to help LGBTQ Americans be aware of the possible drawbacks that come with planning to work into older ages — when the reality may be very different — could benefit these workers. Early interventions about the costs of retirement, including those associated with health or disability issues, are also important for this community in particular.

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¹ The * indicates the statistically significant differences in each of the figures. All significance tests are at the 95 percent level. The significant findings are explained below.

Figure 1

- LGBTQ Americans are more likely to say that they retired earlier than planned, while non-LGBTQ Americans are more likely to say that they retired about when they planned.

Figure 2

- For the middle- and upper-income groups: LGBTQ Americans are more likely to say that they retired earlier than planned than non-LGBTQ Americans.

Figure 3

- LGBTQ Americans are more likely to say that they retired earlier than planned because they had/have a health problem or a disability, not related to COVID-19 than non-LGBTQ Americans.

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