



CHANGING NATURE OF RETIREMENT

Iowa and the United States, 1999



Retirement Age

While many current workers are planning to retire “early,” many plan to work longer than current retirees say they actually worked. Forty-three percent of current retirees in the United States and 36 percent of Iowa retirees retired earlier than planned, mostly due to negative reasons beyond their control (e.g., health problems, changes at their company, or family reasons). **Workers in Iowa are less likely than those in the nation to expect to retire at age 60 and retirees in Iowa are less likely than those in the nation to have actually retired at age 55 or younger.** Workers’ *expected* age of retirement and retirees’ *actual* retirement age:

	Workers		Retirees	
	Iowa	Nation	Iowa	Nation
Ages 55 or younger	4%	5%	9%	20%
Ages 55–59	11	13	13	16
Age 60	9	13	7	6
Ages 61–64	11	13	33	29
Age 65	34	30	15	14
Ages 66 or older	21	17	15	12

Many workers are unaware of when they will be eligible for full Social Security 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:

	Workers	
	Iowa	Nation
4 or more years <i>earlier</i> than actual eligibility age	21%	17%
1–3 years <i>earlier</i> than actual eligibility age	37	42
Correct	18	16
<i>Later</i> than actual eligibility age	5	5
Don't know	17	19

Work After Retiring?

- Sixty-eight percent of workers both in the nation and in Iowa expect to work for pay after retiring.
- Twenty-nine percent of the nation’s retirees have worked since they retired (4 percent full time and 25 percent part time). In Iowa, 25 percent of retirees have worked since they retired (3 percent full time and 22 percent part time).

Major reasons cited by workers expecting to work after retiring and by retirees as reasons they have worked in retirement are listed below. **Workers in Iowa are less likely than workers nationally to say they expect trying a different career to be a major reason they will work in retirement.**

	Workers		Retirees	
	Iowa	Nation	Iowa	Nation
Enjoy work and want to stay involved	67%	64%	65%	62%
To have money to make ends meet	34	37	17	26
To have money to buy extras	38	36	23	26
To keep health insurance or other benefits	41	37	15	16
To help support children or other household members	14	18	8	5
To try a different career	11	16	7	5

How Will I Pay for Retirement?

Most important sources of retirement income (*expected* sources for workers and *actual* sources for retirees):

	Workers		Retirees	
	Iowa	Nation	Iowa	Nation
Personal savings	47%	49%	16	18%
Employer-funded plans	23	20	23	30
Social Security	10	12	43	39
Employment	9	11	2	3
Sale of home or business	5	5	5	2
Other government programs	2	1	3	4
Support from children/family	1	<1	<1	<1

* Data highlighted in **bold** reflect findings of significant difference between the national Retirement Confidence Survey (RCS) and the Iowa RCS.