

CHANGING NATURE OF RETIREMENT

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 retired earlier than planned, mostly due to negative reasons beyond their control (e.g., health problems, changes at their company, or family reasons). Workers’ *expected* age of retirement and retirees’ *actual* retirement age:

	Workers	Retirees
Age 55 or younger	5%	20%
Age 55–59	13	16
Age 60	13	6
Age 61–64	13	29
Age 65	30	14
Age 66 or older	17	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 by 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%	26%	12%	5%
1–3 years <i>earlier</i> than actual eligibility age	42	43	38	46	45
Correct	16	4	16	18	24
Later than actual eligibility age	5	6	4	4	12
Don't know	19	21	15	20	13

Work After Retiring?

- Sixty-eight percent of workers expect to work for pay after retiring (up from 61 percent in 1998).
- In 1999, 29 percent of retirees have worked since they retired (4 percent full time and 25 percent part time). (In 1998, 24 percent of retirees worked after retiring.)

Major reasons cited by workers expecting to work after retiring and by retirees as reasons they have worked in retirement:

	Workers	Retirees
Enjoy work and want to stay involved	64%	62%
To have money to make ends meet	37	26
To have money to buy extras	36	26
To keep health insurance or other benefits	37	16
To help support children or other household members	18	5
To try a different career	16	5

How Will I Pay for Retirement?

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

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

Source: 1999 Retirement Confidence Survey.