Many workers continue to say they are behind in their retirement preparations, including saving for retirement. How, if at all, do workers expect to compensate for insufficient retirement savings? How do workers’ expectations align with retirees’ experiences?

Postponing Retirement

As in prior years, there is a big gap between when active workers expect to retire and retirees say they actually did: Workers continue to report an expected median retirement age of 65, while retirees report they retired at a median age of 62 (Figure 1).

Workers are notably more likely to say they expect to retire at age 70 or older. Three in ten (31 percent) workers expect to retire at 70 or beyond, while only 7 percent of retirees report this was the case. Just 10 percent of workers say they plan to retire before age 60, compared with 35 percent of retirees who report they retired that early. Twenty-one percent of workers say they plan to retire between the ages of 60–64, although 34 percent of retirees say they retired in that age range. This difference between workers’ expected retirement age and retirees’ actual age of retirement suggests that a considerable gap exists between workers’ expectations and retirees’ experience.

A small share of workers are adjusting their expectations about when to retire, perhaps in recognition of the fact that their financial preparations for retirement may be inadequate. In 2017, 14 percent of workers say the age at which they expect to retire has changed in the past year, and of those, the large majority (78 percent) report their expected retirement age has increased.
Workers planning to delay retirement gave the following reasons:

- Can’t afford to retire (49 percent)
- Lack faith in Social Security (46 percent)
- Health care costs (45 percent)
- Wanting to make sure they have enough money to retire comfortably (44 percent)
- Higher-than-expected cost of living (41 percent)
- Need to pay current expenses first (36 percent)
- The poor economy (32 percent)

The RCS has consistently found that a large percentage of retirees leave the workforce earlier than planned (48 percent in 2017) (Figure 2). Many who retired earlier than planned did so because of a hardship, such as a health problem or disability (41 percent). One quarter say they retired due to changes at their company (26 percent) and a similar share say they could afford to retire earlier (24 percent). This tendency to retire earlier than planned may explain the considerable gap that exists between workers’ expectations and retirees’ experiences.

As one might expect, workers who are not confident about their financial security in retirement plan to retire later, on average, than those who express confidence.

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Workers could have delayed retirement for more than one reason.
Retirees could have retired for more than one reason.
Running title

Working for Pay in Retirement

Four in five workers (79 percent) plan to work for pay in retirement, compared with just 34 percent of retirees who report they have actually worked for pay in retirement. In fact, the RCS has consistently found that workers are far more likely to plan to work for pay in retirement than retirees are to have actually worked (Figure 3).

Almost all retirees who worked for pay in retirement gave a positive reason for doing so in 2017, saying they continue to work because they want to stay active and involved (90 percent), they enjoy working (82 percent), or a job opportunity came along (47 percent). However, they reported that financial reasons also played a role in that decision, such as wanting money to buy extras (67 percent), needing money to make ends meet (42 percent), a decrease in the value of their savings or investments (23 percent), or keeping health insurance or other benefits (13 percent).c

Sources of Retirement Income

While almost all retirees (91 percent) report that Social Security provides a source of retirement income for them and their spouse’s retirement (67 percent say it is a major source of income), workers and their spouses continue to expect to draw their retirement income from a wide variety of sources.

c Retirees could have worked for pay in retirement for more than one reason.
Eighty-six percent of current workers expect Social Security to be a major or minor source of income in retirement, but they believe that personal savings will also play a large role. At least four in five say they anticipate receiving retirement income from a workplace retirement savings plan (81 percent), an individual retirement account (58 percent), and personal retirement savings and investments (70 percent). Sixty-eight percent expect employment to provide income in retirement and 56 percent expect to receive income from a defined benefit or traditional pension plan. In contrast to workers’ expectations, retirees are less likely to rely on any form of personal savings or on employment for their income in retirement (Figure 4).

### Figure 4
**Worker Expectations for Sources of Income in Retirement vs. Retirees' Actual Income Sources**

Do you expect the following will be/is the following a major source of income, a minor source of income, or not a source of income in your (and your spouse’s) retirement?

<table>
<thead>
<tr>
<th>Source</th>
<th>Worker Expectation</th>
<th>Retiree Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>36% 67% 50%</td>
<td>24% 91%</td>
</tr>
<tr>
<td>Workplace retirement savings plan</td>
<td>24% 53% 27%</td>
<td>28% 81%</td>
</tr>
<tr>
<td>Work for pay</td>
<td>21% 44% 26%</td>
<td>17% 68%</td>
</tr>
<tr>
<td>Individual retirement account</td>
<td>24% 34% 50%</td>
<td>21% 58%</td>
</tr>
<tr>
<td>Personal retirement savings and investments</td>
<td>28% 42% 33%</td>
<td>28% 61%</td>
</tr>
<tr>
<td>Defined benefit or traditional pension plan</td>
<td>32% 24% 18%</td>
<td>45% 63%</td>
</tr>
</tbody>
</table>