

Americans are retiring later in life

A new Gallup poll indicates that, on average, Americans don't retire until age 62, later than they used to but years before they had planned.

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This post comes from Krystal Steinmetz at partner site Money Talks News.

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The average age of retirement in the U.S. is on the rise.

A new Gallup poll shows that, on average, Americans don't leave the workforce until they're 62 -- the highest retirement age since Gallup first started compiling the data in 1991. The average retirement age was 57 in both 1991 and 1993.

The age that working Americans say they'll retire has also inched up, from 63 in 2002 to age 66 this year. But often people don't work as long as they thought they would because of health issues, job loss or family responsibilities.

Why are people retiring later in life than they used to? According to Gallup, baby boomers are hesitant to retire. Some are pushing off retirement because they lost a significant amount of savings as a result of the Great Recession.

But other factors play into working longer.

"This likely reflects the changing landscape of retirement, including longer life spans, changes in Social Security benefits and employer-sponsored retirement plans, and lifestyle choices such as a desire to keep working after reaching the traditional retirement age," Gallup said.

Americans born after 1960 won't receive full Social Security benefits until they turn 67.

According to 24/7 Wall St, an increase in retirement age has an unfortunate, though unintended, consequence for the younger workforce:

Traditionally, as Americans have retired, the vacated jobs have gone to younger people. This "replacement factor" likely does not happen at the same pace as older people continue to work. That may be among the reasons that young Americans, those in their late teens or 20s, have found it increasingly difficult to find work, even as the recession has ended.

Not surprisingly, Gallup found that more young Americans expect to retire before age 55 than any other age group. It's likely an unrealistic expectation. Gallup said:

This could be because younger Americans, given the many years they have until retirement, may not understand the financial realities and challenges of funding retirement that middle-aged Americans are more familiar with.

When do you think you'll retire? Have you saved adequately for retirement?

Source: <http://money.msn.com/saving-money-tips/post--americans-are-retiring-later-in-life>