

# 'I'll never retire': Americans break record for working past 65

MAY 13, 2016 | BY BEN STEVERMAN



(Bloomberg) — Almost 20 percent of Americans 65 and older are now working, according to the latest data from the U.S. Bureau of Labor Statistics. That's the most older people with a job since the early 1960s, before the U.S. enacted Medicare. Because of the huge baby boom

generation that is just now hitting retirement age, the U.S. has the largest number of older workers ever.

When asked to describe their plans for retirement, 27 percent of Americans said they will “keep working as long as possible,” a 2015 Federal Reserve study found. Another 12 percent said they don't plan to retire at all.

## **Why are more people putting off retirement? Here are 5 reasons:**

**They need the money** - Three in five retirees surveyed by the Transamerica Center for Retirement Studies said making money or earning benefits was at least one reason they had retired later than they planned to. Almost half said financial problems were their main reason for working past 65.

The financial crisis, and the tech bust before it, devastated many baby boomers' retirement savings. That's if they had any to begin with. Today, 60 percent of U.S. households have no money in a 401(k) or similar retirement account, and the benefits of 401(k)s are skewed toward the wealthiest Americans, a recent report by the Government Accountability Office found.

The waning of traditional, defined-benefit pensions could also be delaying retirement, even for wealthier Americans. Instead of getting a monthly check, many retirees end up with a pot of 401(k) assets they're not sure how they should be spending. The ups and downs of the market can heighten their anxiety and keep them going into the office.

**They like their jobs** - Thirty-six percent of respondents told Transamerica they had worked past 65 mainly because they enjoy their jobs or “want to stay involved.”

Education probably comes into play here. People with college and graduate degrees tend to work later than those with less schooling, according to a 2013 study by the Center for Retirement Research at Boston College. And since 1985, the share of older Americans with college degrees has tripled, to about a third of 60- to 74-year-olds.

**Employers want (some) older workers to stick around** - With the U.S. unemployment rate at 5 percent, the lowest since 2008, employers have a greater incentive to keep older workers happy. They might not be able to replace them.

With more education, these skilled, experienced workers have become more valuable to employers. In 1985, workers tended to earn the highest salaries of their careers in their 40s, the Center for Retirement Research study found. By 2010, those peak earning years had shifted from the 40s to the 50s. All age groups older than 50 earned more than they did 25 years earlier, with those in their late 60s making 30 percent more. Workers under 50 earned less than they used to.

**Older Americans are healthier and living longer** - At last, many Americans have more time to do what they want to do. With a rise in average life expectancy, a longer career doesn't necessarily mean a shorter retirement.

Wealthy, educated people have gotten the biggest boost to their longevity, but even the least-educated Americans are getting a few more years than their parents did three decades ago.

There's some evidence that working can actually improve the health of older people, though studies have also found the opposite. A February study of U.S. factory workers found that retirement was good for their health.

**Or maybe retirement just isn't as much fun** - It's hard to explain why Americans might be enjoying their golden years less, but that's what a study last month by the Employee Benefit Research Institute found.

Maybe it's self-perpetuating, a result of peer pressure. It has become increasingly normal to be over 65 and working, as more and more boomers reach retirement age, said Torsten Sløk, chief international economist at Deutsche Bank. Now that one in five older Americans has a job, he says, "I would think this just continues to move higher."