BusinessManagement DAILY

DECEMBER 22, 2014

Study: 2008 market crash delayed retirement for 23%

Among the victims of the Great Recession of 2008-2009 were the retirement expectations of many Americans. New research from the nonpartisan Employee Benefit Research Institute (EBRI) has quantified just how much those hopes suffered.

A new EBRI finds a nearly 23-percentage-point drop in workers retiring early or close to their expected retirement after the markets crashed. Specifically, EBRI found that before September 2008, when the recession began, 72.4% of workers retired either before or within a year of their expected retirement. However, that dropped to 49.6% after September 2008.

The likely cause of the retirement delays: Economic insecurity in the wake of decimated retirement savings.

The EBRI analysis is among the first to look at longitudinal data that compares expected and actual retirement for the same group of workers. It finds a majority (55.2%) of these workers retired within three years (before or after) of their expected retirement.

Specifically, the longitudinal findings show that 38% retired before they expected, 48% retired after they expected, and 14% retired the year they expected to retire. It also shows that more people (35.9%) actually retired after age 65 than expected (18.9%), and among those who expected to retire after age 65, 56.6% did so.

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