

RETIREMENT

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CALLING IT quits



WHY MOST AMERICANS RETIRE EARLIER THAN PLANNED

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USA TODAY

More than half of retirees stopped working earlier than planned, according to a new report. And the decision was often beyond their control.

The Retirement Risk Survey, released in May by the Society of Actuaries Research Institute, found that 59% of retirees left the workforce before they had expected to. Only 6% retired later than expected.

The report joins a body of research that suggests most Americans retire earlier than planned.

On average, American workers retire at age 62, according to two respected annual surveys of working and retired Americans, one from the Employee Benefit Research Institute, the other from the Transamerica Center for Retirement Studies.

Most workers don't plan to retire that early. According to the EBRI survey, the average worker expects to retire at 65. According to Transamerica, 39% of workers plan to retire after 70, if at all.

The Society of Actuaries report found that health setbacks were the most common reason for retiring early.

Reasons differ according to income

The report also broke down retirement decisions for Americans of higher and lower incomes. The differences are stark.

For retirees with incomes under \$35,000, the most common reason for retiring early was "changes in health status." Presumably, health setbacks for the worker or someone in their household. Job loss ranked second. Both factors fell outside the worker's control.

For retirees with incomes over \$75,000, the principal reason for retiring early was job dissatisfaction. The second-ranked reason: achieving a retirement savings goal earlier than expected. Both of those factors fell within the worker's control.

For more affluent workers who retired early, "a lot of the reasons were less negative," said Timothy Geddes, a managing director at Deloitte Consulting and coauthor of the report.

"Some of the high-income retirees reported that they achieved their financial goals, so they stopped working," he said. "And that's not in any way negative."

Low-income retirees, by contrast, were less likely to have a choice about when and how they retired.

"Certainly, those are not people doing it because they want to," Geddes said of workers who retired for health reasons. "They're doing it because they have to."

The Society of Actuaries report drew on interviews of 1,007 pre-retirees and 1,005 retirees in 2024.

Unforeseen situations often at play

Retirees who left the workforce earlier than planned cited several factors in the survey. The top five are:

- Changes in health status, 31%.
- Job dissatisfaction, 25%.
- Job loss, 20%.
- Change in family situation, 19%.
- Achieved retirement savings goal earlier than expected, 16%.

The findings underscore a common misconception about retirement: that we get to choose when and how we leave the workforce.

Higher-income Americans are more likely to have a say in their retirement, even if they retire early, a finding echoed in both the Society of Actuaries report and the EBRI study.

"The higher-income people are more likely to do it because it's their choice, whereas the lower-income people are more likely to have their health or a change at the company being the cause," said Craig Copeland, director of wealth benefits research at EBRI. "It's out of their control."

In the 2026 EBRI/Greenwald Retirement Confidence Survey, 46% of retirees said they left the workforce earlier than planned. Only 6% retired later than expected.

Most retirees seem to be doing OK

The good news, reflected in both the EBRI and Society of Actuaries studies, is that most retirees seem to be financially comfortable.

In the Society of Actuaries survey, only 19% of retirees said they were worse off financially than they had expected when they were working.

In the EBRI survey, only 24% of retirees described their standard of living as fair or poor.

Those data points suggest many retirees are making do on Social Security income and a modest amount of savings.

In the 65-74 age group, the typical family with a retirement account has about \$200,000 saved, according to the



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latest federal Survey of Consumer Finances in 2022. Only about half of those households have retirement accounts at all.

By contrast, financial planners often recommend workers plan to save \$1 million or more toward retirement.

"There's a great deal of making adjustments and learning to live with what you have," Copeland said.