

MANY WORKERS WONDER WHEN (AND IF) THEY'LL RETIRE

Inflation, market fluctuations,
and uncertainties about Social
Security raise concerns



Retirement is supposed to be our “golden years,” but many Americans worry there will be nothing “golden” about it—and they might even have to cut back and scrape by to pay their bills (or keep working). NerdWallet reported in 2023 that 27% of Americans saved less than they normally would for retirement in the previous 12 months due to inflation.¹ Stock-market downturns and higher taxes have also challenged retirement finances for both retirees and those who are nearing retirement.²

Falling behind instead of achieving goals

More than half of Americans report they’re behind on their retirement savings—with 35% saying they’re “significantly behind,” and 20% saying they’re “somewhat behind” on their goals.³ This “retirement gap,” as it’s often called, has been a common problem for generations, but it appears to be getting wider. Many people are struggling to pay for basics like food and shelter, so saving for retirement isn’t at the top of their list. Baby boomers—the largest generation retiring now—is currently the furthest behind in retirement savings, with only 7% ahead of their goals, and 71% behind.³ This is concerning, because 10,000 baby boomers a day will hit retirement age between now and 2030.

Keep working, or retire?

Americans born before 1960 can receive full Social Security retirement benefits at age 66, but the number of older Americans still working past retirement age has grown. Octogenarians in the workplace have risen since 1980 and reached a high of about 734,000 in 2019, before the nation’s oldest president was voted into office.⁴

As of October 2022, 5.16% of America’s octogenarians had a job, according to Business Insider. The reasons ranged from a need for income to a sense of purpose. A study by the Center for Retirement Research revealed that working longer is associated with lower mortality, depression, and diabetes risks for both men and women.⁵

¹ [Nerdwallet survey: Some Americans who plan to retire say they'll leave the workforce early, Feb. 28, 2023](#)

² [Allspring Global: Hiding Behind the Averages, 2022 Retirement Research Results](#)

³ [Bankrate survey: 55% of working Americans say they're behind on retirement savings, Oct. 24, 2022](#)

⁴ [Business Insider: It's not just Joe Biden. Plenty of Americans are now working into their 80s, Nov. 22, 2022](#)

⁵ [Center for Retirement Research: How Does Delayed Retirement Affect Mortality and Health? Oct. 8, 2018](#)

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Take steps to be prepared

The earlier you start to prepare for retirement, the better off you'll be. The average American spends about 20 years in retirement, and it's unlikely you'll be able to depend on your Social Security alone to get you through. The average amount of Social Security income paid to beneficiaries in Dec. 2022 was \$1,637.71 for females, and \$2020.38 for males, according to the Social Security Administration.

To boost your retirement income, take these steps as soon as possible:

- Start saving.
- Contribute to your employer's retirement savings plan, if available.
- If your employer has a pension plan, check to see if you are covered, learn all you can about it, and take advantage of it if possible.
- Put money into an IRA.
- Estimate how much you will need in retirement (typically 70% to 90% of your pre-retirement income to maintain your standard of living).
- Make catch-up contributions to your retirement savings, if possible.
- Eliminate unnecessary expenses.
- Talk to a financial professional about creating an investment plan that fits your needs and goals.

You may not be able to do **all** of these things, but do what you can. Every little bit helps, and you will thank yourself later.

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