

# Balancing Act: Retirement Timing and Key Considerations



## The Desire to Retire: Availability and Eligibility Can Drive Timing

The most common reasons investors retire at a particular age tend to be voluntary and for positive reasons, such as the desire to enjoy retirement as soon as possible, having enough money accumulated, or claiming pension or Social Security benefits.

For pre-retirees, planning to retire at a specific age is commonly motivated by aligning their retirements with eligibility and availability of certain benefits.



### NON-RETIRED WORKERS

#### Anticipated Retirement Age Is Approaching



Target retirement ages cluster at “round” ages **50, 60, 65, 70** & ages associated with Social Security Benefit eligibility **62 & 67**.

Anticipated ages tend to be later than when current retirees actually retired — suggesting that many workers understand the benefits of later retirements.



As working arrangements become more flexible, older workers can delay their retirements and remain in the workforce longer.<sup>1</sup>



### RETIREES

#### When Are Retirees Entering Retirement?

Retirees with more limited financial resources tended to align retirements with benefit eligibility or reaching “milestone” ages when benefits can be claimed.



The average age at retirement was **62 years old for men** and **61 years old for women**.

**65**

was the most common age of retirement.<sup>2</sup>

**62**

was the second most common retirement age.<sup>3</sup>

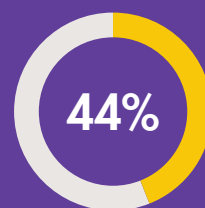


Over 8 in 10 retired between ages 55 and 70.

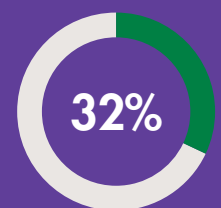
#### Top reasons for retiring at the ages they did:



Desire to enjoy retirement as soon as possible (age 55 to 59)



Having enough money accumulated (age 50 to 54)



Claiming pension benefits (age 55 to 59)

## Finding Equilibrium: Retirement Timing

Though the “perfect” time to retire varies by individual, many investors align their retirement with availability and eligibility for benefits. No matter where they are in their retirement journey, there are factors that pose risks and raise concerns likely to affect their confidence in the timing of their retirement. Investors can supplement guaranteed income sources with annuities, ensuring that they are able to cover their expenses and increasing their confidence in beginning their retirements when they desire.

This survey focused on individuals who are most likely to be considered part of the market for products and services for individual retirement products and services, workers and retirees, age 40-85, with household investable assets of \$100,000 or more.

View the full report: [2023 Retirement Investors: Behaviors, Attitudes, and Financial Situations](#), LIMRA.

<sup>1</sup> Direct comparisons between retirees’ actual and pre-retirees’ anticipated age at retirement are of limited use if no attempt is made to control for current ages of each group. See “Retirement Timing Redux,” [MarketFacts, Issue 4, 2019](#).

<sup>2</sup> When Medicare benefits and most workplace pension benefits become available.

<sup>3</sup> The earliest Social Security benefits can be claimed.