

Fiduciary Education

Americans Are Retiring Later: Here's Why

Employers can support retirement readiness, helping employees feel more prepared to retire on time.



There's a trend in the United States with the potential to disrupt the workplace—**delayed retirement.**

According to a recent survey, **40%** of workers expect to retire at age 70 or later, or never retire at all.¹

Key reasons for delaying retirement include:

- **Government policies.** “Full” retirement age for Americans born in 1960 or later is age 67. In addition, maximizing Social Security benefits means delaying claiming until age 70.²
- **Building a nest egg.** Americans think they need anywhere from \$500,000 to \$1.8 million to retire comfortably.^{1,3}

- **Multiple financial priorities.** More than half of workers are prioritizing paying down debt. Many prefer not to think about saving for retirement until they are closer to retirement age.¹
- **Retirement healthcare concerns.** Worries about the affordability of healthcare without employer-supported coverage may be keeping some employees from retirement.
- **Anxiety about change.** Change can be difficult, and many people are not financially or emotionally ready for the transition from work.¹

The impact of delayed retirement

When employees retire later, it can impact your organization by:

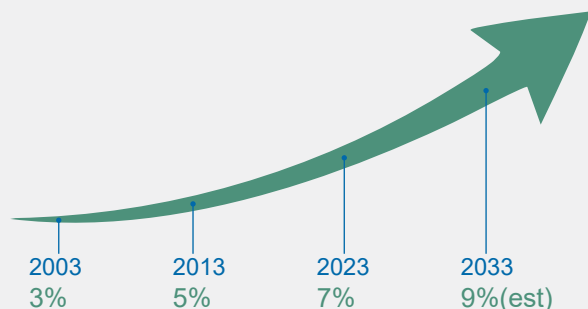
- Limiting advancement opportunities for younger staff
- Complicating workforce planning and succession
- Increasing the cost of benefits and healthcare
- Affecting morale if employees feel stuck

Supporting timely retirement helps create space for growth and keeps your workforce dynamic.

A fast growing segment of the labor force is aged 65 and older

The percentage of 65-and-older in the workforce has increased over the past two decades and is expected to continue growing.

Source: United States
Bureau of Labor Statistics



Providing the right retirement readiness resources can have significant benefits for employers and employees. If you would like to learn more, please get in touch.

Employers can help workers improve retirement readiness

Here are some steps that can help your organization help employees reach their retirement goals:

- **Offer robust education.** Develop and deliver effective retirement education that covers financial wellness, healthcare issues, and retirement planning.
- **Promote catch-up contributions.** Make sure older plan participants understand the saving options available to them, including catch-up and super catch-up contributions.
- **Share healthcare strategies.** Soothe worries about healthcare by communicating the triple-tax advantage of health savings accounts, as well as their role in retirement saving.
- **Communicate income strategies.** Communicate plan distribution options and retirement income strategies to help pre-retirees gain confidence.
- **Support phased retirement and post-career engagement.** Stepping into retirement can feel like stepping off a cliff. A more gradual move into retirement can help employees make the change.



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- 1 Collinson, Catherine, et al. "Retirement in the USA: The Outlook of the Workforce." Transamerica Institute. Mar. 2025.
- 2 Social Security Administration. "Retirement Benefits." Jan. 2025.
- 3 Pomroy, Kathryn. "How Much Do You Need to Retire Comfortably?" Kiplinger. 13 Mar. 2025