

# Will the Average Retirement Age Keep Rising?

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**MarketWatch Blog** by [Alicia H. Munnell](#)



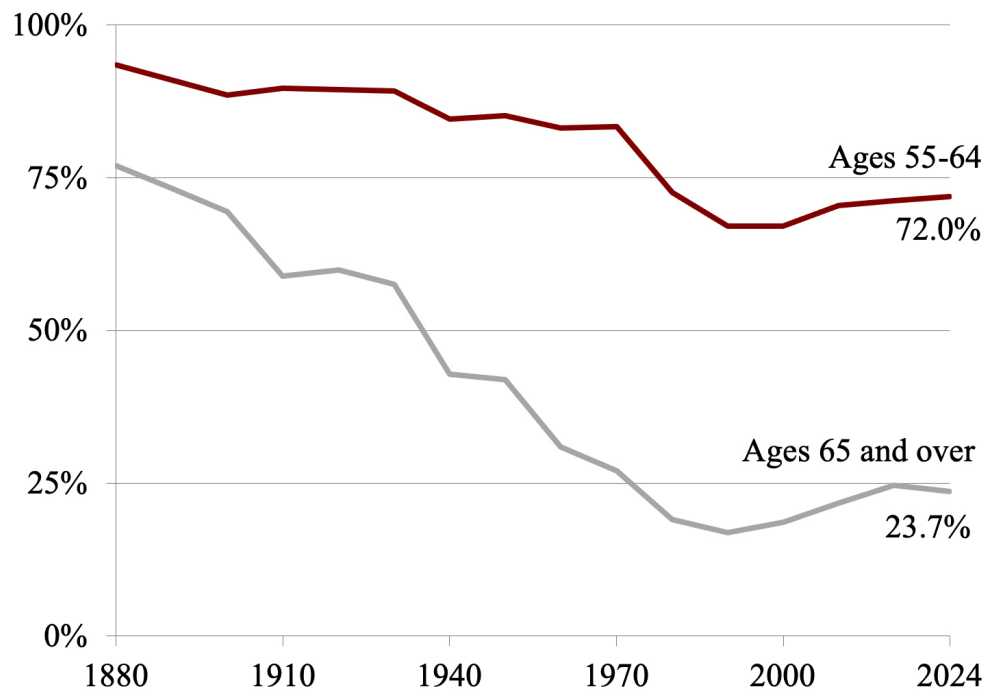
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*Probably not – most of the drivers have played themselves out.*

Let's take a deep breath and step back from the daily news cycle, where the Social Security Administration is under repeated attack, and take a look at **recent trends in retirement patterns** and what they are likely to look like going forward.

Prior to the 1880s, men generally worked as long as they could, and at the end of their lives, they had only about two years of 'retirement,' often due to ill health. Beginning around 1880, however, the percentage of the older male population at work began to decline sharply (see Figure 1). Experts attribute this decline initially to Civil War pensions, then to rising incomes and the shift from agriculture to employment in large enterprises, and finally to the introduction of Social Security and Medicare.

Figure 1. *Workforce Participation Rates of Men Ages 55-64 and 65+, 1880-2024*

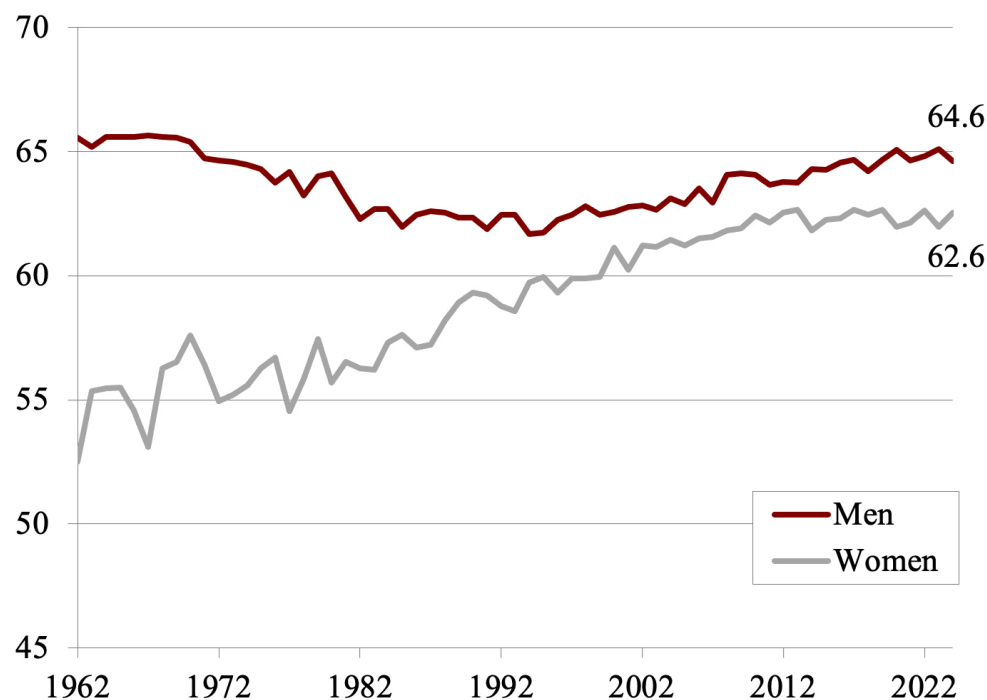


Note: Work rates during 1880-1930 are any reported gainful occupation; work rates during 1940-2024 are labor force participation rates – working or seeking work.

Sources: Steven Ruggles et al. 2010. Integrated Public Use Microdata Series: Version 5.0. University of Minnesota; and author's calculations from U.S. Census Bureau, *Current Population Survey* (CPS) (1970-2024).

The downward trajectory stopped around the mid-1980s and, since the early 1990s, the labor force participation of men both 55-64 and 65+ has gradually increased. This pattern has led to an increase in the “average retirement age,” defined as the age (in years and months) at which the labor force participation rate drops below 50 percent. Based on this definition, in 2024 the average retirement age for men was 64.6, three years later than in 1994 and almost back to the 1960s (see Figure 2).

Figure 2. *Average Retirement Age, 1962-2024*



Source: Author's calculations from CPS (1962-2024).

Many factors probably contributed to this recent increase in the average retirement age.

- *Social Security*: Changes to Social Security made work more attractive relative to retirement. The liberalization, and for those at the Full Retirement Age (FRA) the elimination, of the earnings test removed what many viewed as an impediment to continued work. The increase in the FRA from 65 to 67 reduced benefits for those claiming early. And, the enhanced delayed retirement credit increased incentives to keep working between the FRA and age 70.
- *Pension type*: The shift from defined benefit to 401(k) plans eliminated built-in incentives to retire. Moreover, since 401(k) participants bear investment risk, they need to work longer to accumulate a buffer against prematurely exhausting their resources.

- *Education:* Better-educated workers have less physically demanding jobs, more employment opportunities, are paid more, and work longer.
- *Improved health and longevity:* Average life expectancy for men at 65 has increased about 3.2 years since 1990, and until 2010 the evidence suggested that people were healthier as well. The correlation between health and labor force activity is very strong.
- *Decline of retiree health insurance:* The rapid rise in health care costs has been accompanied by a significant decline in employer provision of retiree health insurance. Hence, workers have a strong incentive to stay working until they qualify for Medicare at 65
- *Less physically demanding jobs:* As manufacturing has declined, the service sector has exploded with knowledge-based opportunities, which put less strain on older bodies.

Will the early drivers of delayed retirement continue to have an impact? I would argue 'no.'" All the changes in the Social Security program are now complete. The shift from defined benefit to 401(k) plans in the private sector is now complete. Educational attainment for men has leveled off and will likely level off for women by 2030. Since 2010, estimates for healthy life expectancy at 50 – which combines the disability rate with changes in life expectancy – show actual declines for some groups. Finally, the shift by firms away from offering retiree health benefits is virtually complete.

The bottom line is that the factors contributing to the reversal in the labor force participation of older workers appear to have run their course. Their impact will remain, so it is unlikely the average retirement age will decline. On the other hand, they will provide little impetus for increases in the average retirement age.

