

Myths and Realities about Working Longer
Working Longer: The Solution to the Retirement Income Challenge
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Myth: Given the growing retirement income challenge, people will have to work forever.

Reality: If individuals worked full time until at least 66, they could enjoy a long and financially secure retirement, with incomes one-third higher than if they retired at 62.

Myth: Older workers will choose to work longer on their own.

Reality: Most people retire as soon as benefits are available at age 62.

Myth: As baby boomers approach retirement, employers will embrace older workers.

Reality: Many employers are lukewarm toward retaining older workers due to concerns that they cost too much, lack current skills, and don't plan to stick around long.

Myth: Employers will quickly change their tune in response to labor shortages.

Reality: Many employers with a high proportion of older workers are in declining industries. Others can tap global labor markets.

Myth: Older workers have little to offer employers.

Reality: Older workers often have advantages over younger workers — including higher productivity, better judgment, a stronger work ethic, and better people skills.

Myth: Phased retirement — shifting to part-time employment with a career employer — is the solution for keeping people in the workforce longer.

Reality: Many firms are reluctant to offer phased retirement due to concerns over which workers would be eligible, health insurance costs, and part-time schedules.

Myth: Most workers can work longer by remaining with their career employer.

Reality: Career employment is declining fast — only 44 percent of male workers age 58-62 are still with their age-50 employer, down from 70 percent two decades ago.

Myth: The working longer prescription is the answer for everyone.

Reality: While today's older workers are generally healthier and better educated, up to a third could be hard pressed to work into their mid-60s due to poor health or job prospects.

Myth: Government cannot do much to encourage longer work lives.

Reality: Raising Social Security's earliest eligibility age of 62 could push back the work/retirement divide by changing the mindset of both workers and employers.

Myth: Eliminating mandatory retirement removed a major barrier to working longer.

Reality: Mandatory retirement could actually promote longer work lives by providing both employers and workers clear expectations about when careers end.

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