The Retirement Income Landscape in America and Older Workers’ Labor Supply Decisions

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based on research with
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Discussion Topics

- The retirement income landscape in America has changed in ways that favor work over leisure.

- Older Americans have responded to these changes.

- Going forward, most older Americans will have to choose between continued work later in life or a lower standard of living.
Population Distribution in the United States by Age and Gender, 1900 and 2040

Social Security Tax Revenues and Outlays with Scheduled and Payable Benefits 1985 to 2085

Private-Sector Participants in an Employment-Based Retirement Plan, by Plan Type, 1979 to 2011

Personal Saving as a Percentage of Disposable Personal Income, 1970 to 2016

Source: Federal Reserve Bank of St. Louis analysis of U.S. Department of Commerce, Bureau of Economic Analysis data; downloaded March 10, 2017 from https://research.stlouisfed.org/fred2/series/A072RC1Q156SBEA.
Labor Force Participation Rates
Males Aged 60-64, Actual and Fitted Values
1964 to 2015

Labor Force Participation Rates
Females Aged 60-64, Actual and Fitted Values
1964 to 2015

Retirement as a *Process* (not an event)

Summary

- The retirement income landscape has changed in fundamental ways that favor work over leisure.

- Older Americans have responded:
  - the era of earlier and earlier retirements is over
  - ... and has been for nearly three decades.

- All signs indicate that, going forward, most older Americans will have to choose between:
  - continued work later in life, or
  - a lower standard of living.