

To Work or Not to Work - Is it Even a Question?

Retiring at 65 May No Longer be a Preference - or an Option, According to Northwestern Mutual's 2015 Planning & Progress Study

MILWAUKEE, July 13, 2015 /PRNewswire/ -- Working Americans expect to retire at age 68 – a full decade later than when current retirees left the work force, according to the latest round of findings from Northwestern Mutual's 2015 Planning & Progress Study released today. Notably, **62% of U.S. adults anticipating working beyond the traditional retirement age of 65** say it will be from necessity, with the vast majority (79%) citing insufficient savings and lack of confidence in social safety nets as leading concerns.

This [annual study](#), exploring Americans' attitudes and behaviors towards finances and planning, also suggests that poor communication may be a contributing factor to delaying retirement involuntarily. Four in 10 adults state that they have not discussed retirement with anyone while a full third (35%) do not have any sense of how much income they will need to retire.

"With life expectancy increasing, planning for retirement is essentially like preparing for a vacation that could last decades," says Rebekah Barsch, vice president of planning, Northwestern Mutual. "Thinking through all the considerations early on is the best way to help ensure you have everything you need to enjoy your well-earned retirement journey."

Career or carefree?

Among the nearly 40% of future retirees planning to work longer by choice, the following emerged as the top drivers:

Enjoy job/career (66%)
Want additional disposable income (60%)
Seek social outlet to stay active and prevent boredom (49%)

Millennials (18-34) and Matures (69+), two generations at the extreme ends of the career lifecycle, were the most enthusiastic about the prospect of continuing to work.

"It's intuitive that Gen X (35-49) and Boomers (50-68), who are in the most demanding phase of their professional lives, are more likely to see retirement as a welcome respite from career pressures," noted Barsch.

Future retirees - more active but less optimistic

When looking toward retirement, 12% of future retirees envision being completely retired from the work force. This contrasts significantly with current retirees, nearly 4 in 5 of whom report being completely retired - a significant increase from last year (up from 72%).

Regardless of lifestyle expectations, adults who are not yet retired are substantially less optimistic about their retirement prospects than current retirees:

Only 68% of future retirees expect to be happy in retirement compared to 80% of current retirees

61% of current retirees say they have maintained their quality of life in retirement while only 52% of future retirees expect to. Only half (54%) of future retirees believe they will be able to focus on activities such as health and fitness relative to three quarters (74%) of current retirees

This somewhat pessimistic outlook may stem from shortfalls in financial planning. The data revealed that, as compared to "informal planners," adults who consider themselves "highly disciplined" or "disciplined" planners are significantly more likely to be happier before and during retirement and better equipped to manage unexpected situations.

"Retirement should be synonymous with flexibility and personal fulfillment," continued Barsch. "Working past retirement age should be a personal decision rather than a default financial planning strategy. Employment opportunities and personal health as we experience them in our 50's don't always hold true in our 60's and beyond."

About the Research

The *2015 Northwestern Mutual Planning & Progress Study* explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities.

This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 5,474 American adults aged 18 or older.

who participated in an online survey between January 12, 2015 and January 30, 2015. Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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Video - <https://www.youtube.com/watch?v=ofv0vGCDvpo>

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