

The Pandemic Retirement Surge Increased Retirement Inequality

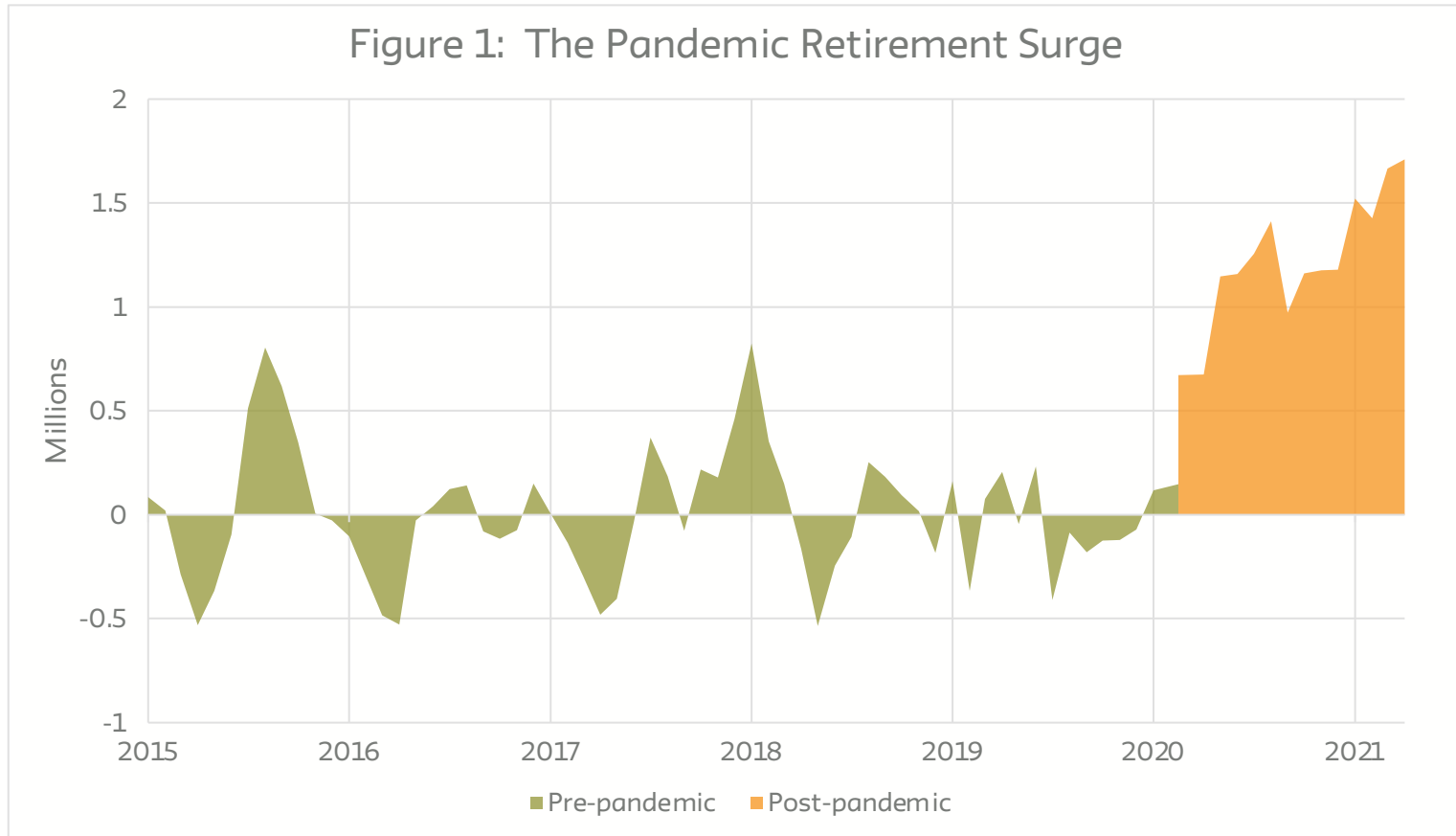
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The retired population grew by 1.7 million additional people since March 2020

Figure 1: The Pandemic Retirement Surge



Source: Current Population Survey

Note: Change in retired population, divergence from 2015-2019 trend

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Why does it matter?

- Early, involuntary retirement
 - Retirement earlier than planned leads to lower retirement income and falling standards of living
- Retirement inequality
 - If least well-off retire early while better-off workers can retire later, retirement wealth inequality will increase

Where did the additional retirements come from?

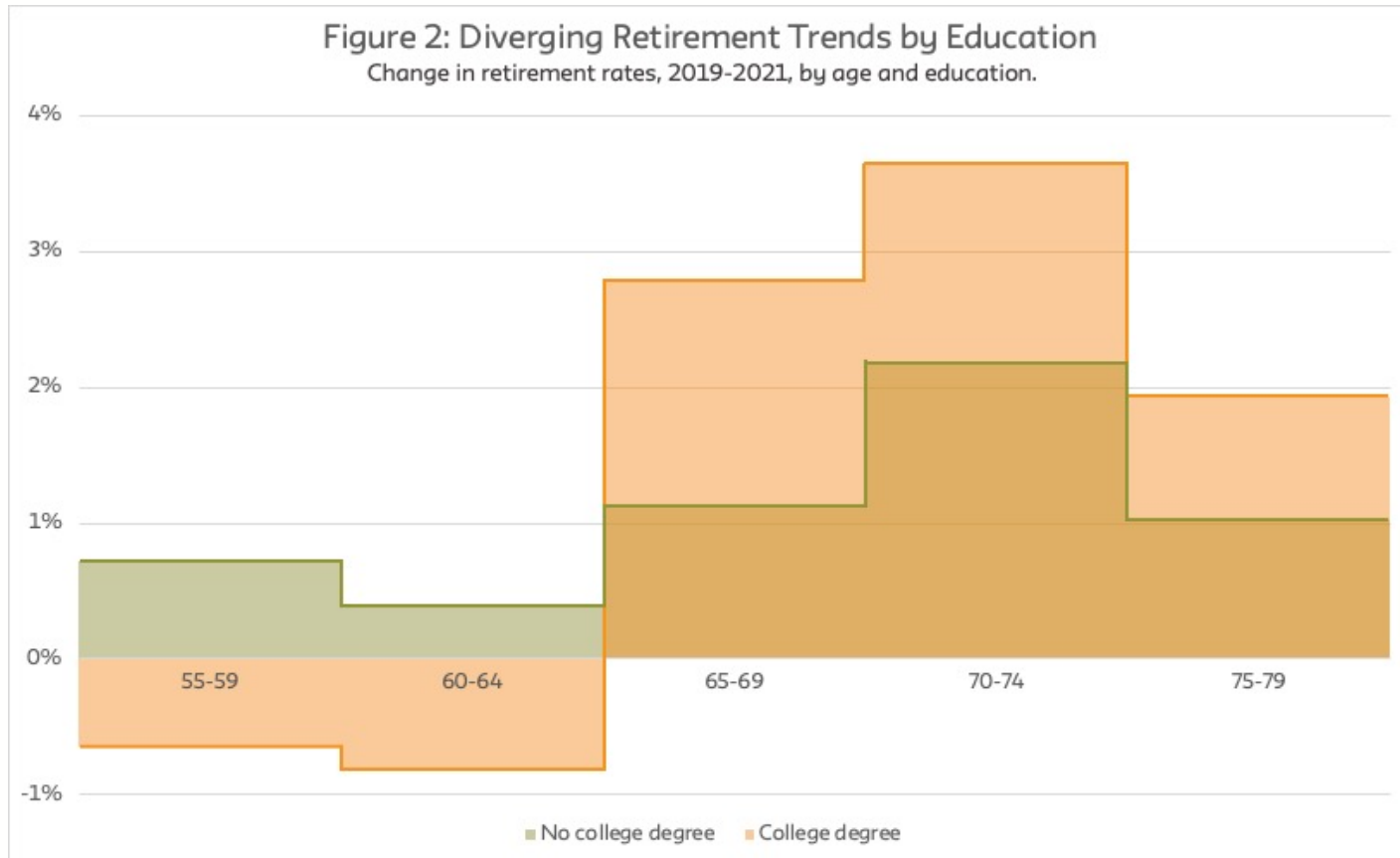


Source: Current Population Survey
Retirement rate = share of adults in a group who are retired



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Where did the additional retirements come from?

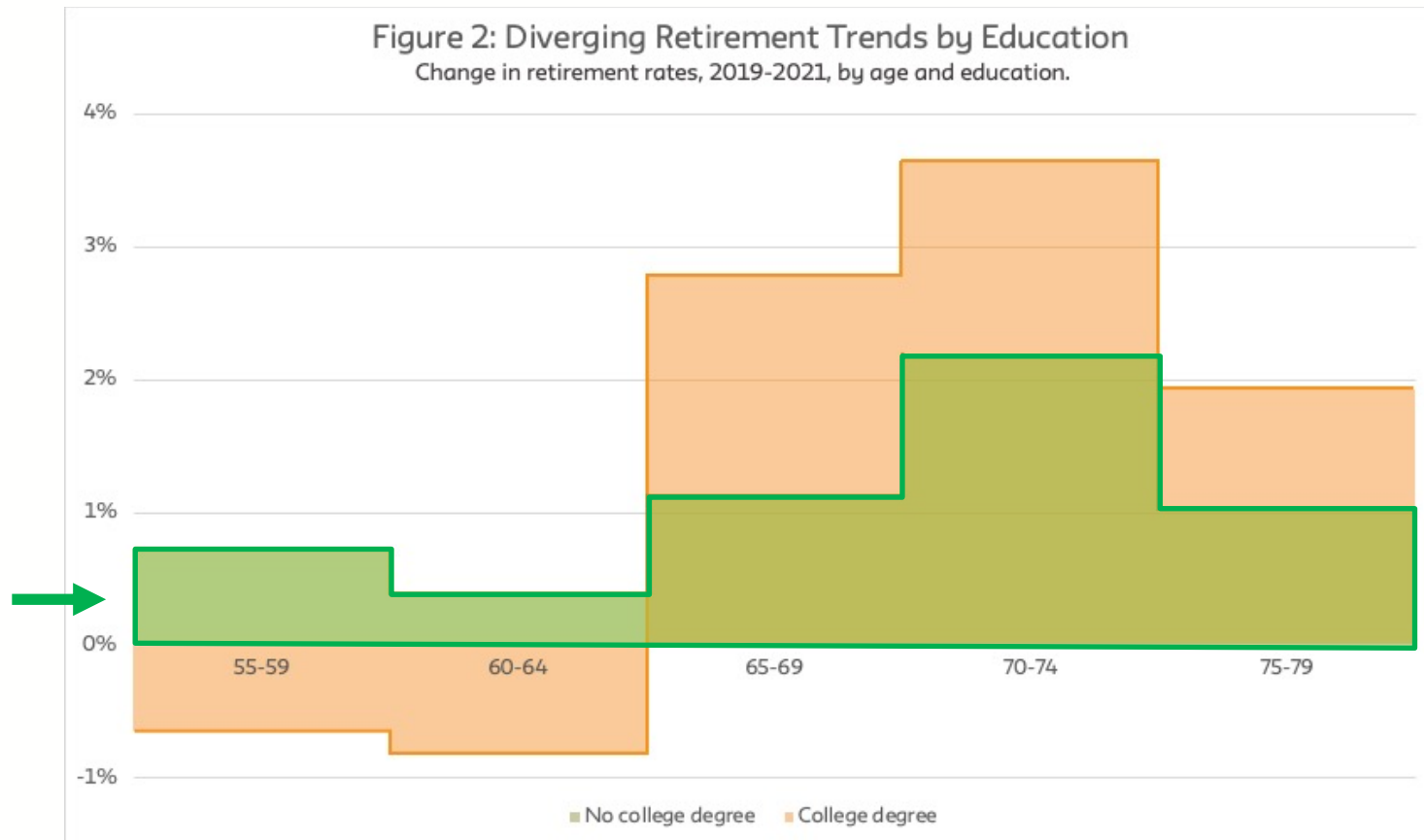


Source: Current Population Survey



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Retirement increased at all ages for workers without a college degree

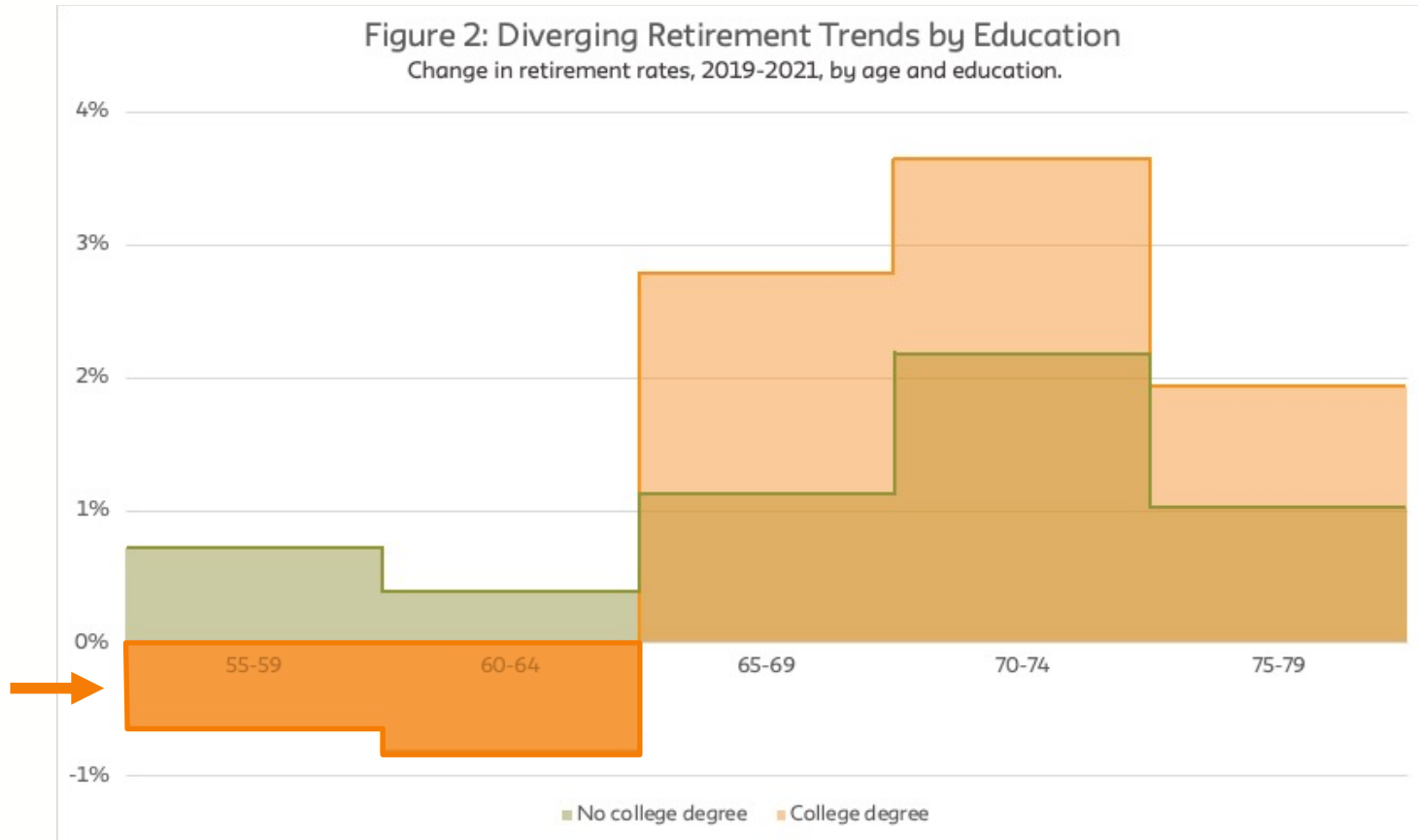


Source: Current Population Survey



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College workers 55-64 delayed retirement

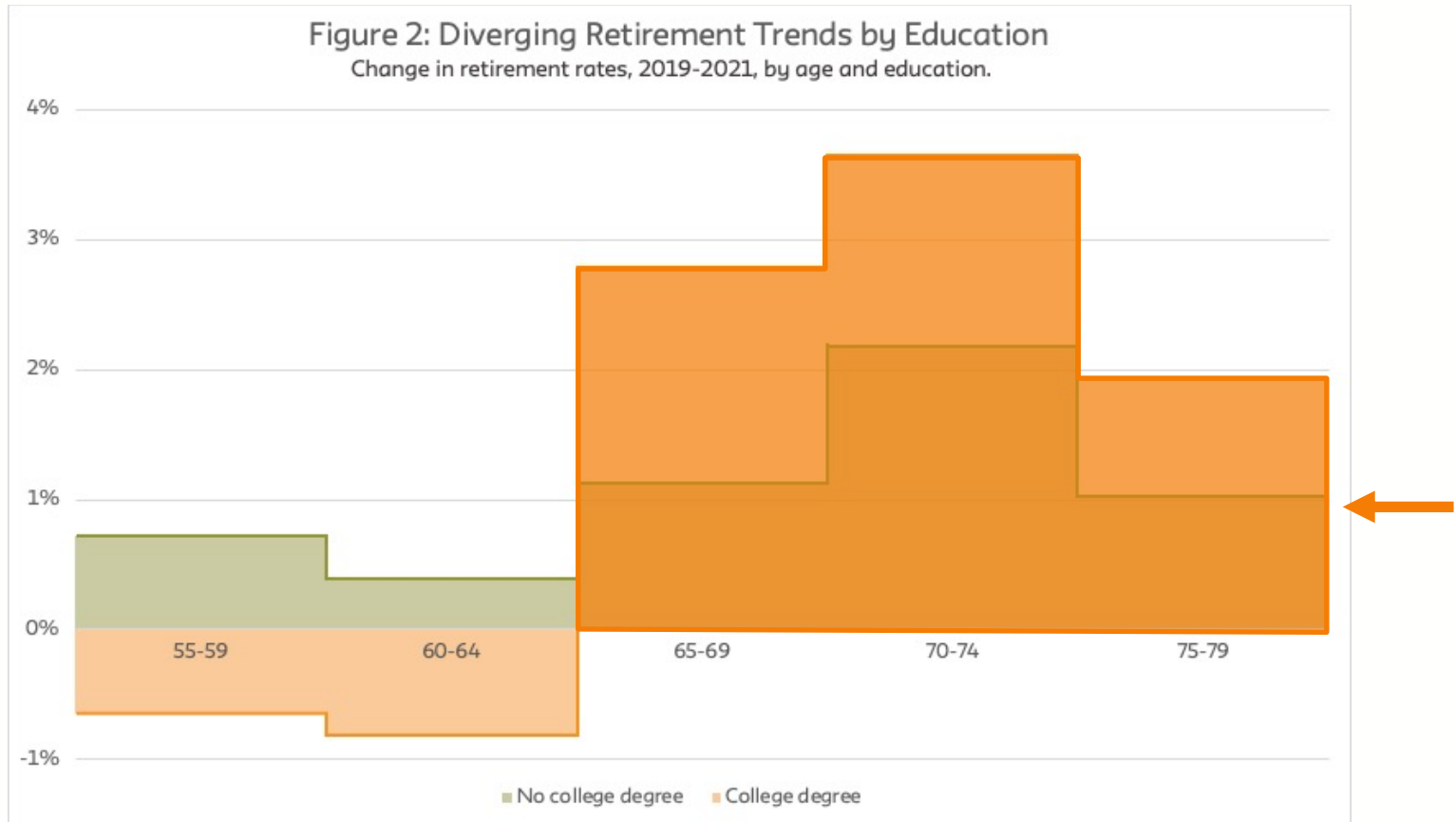


Source: Current Population Survey



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College workers 65+ retired at higher rates



Source: Current Population Survey

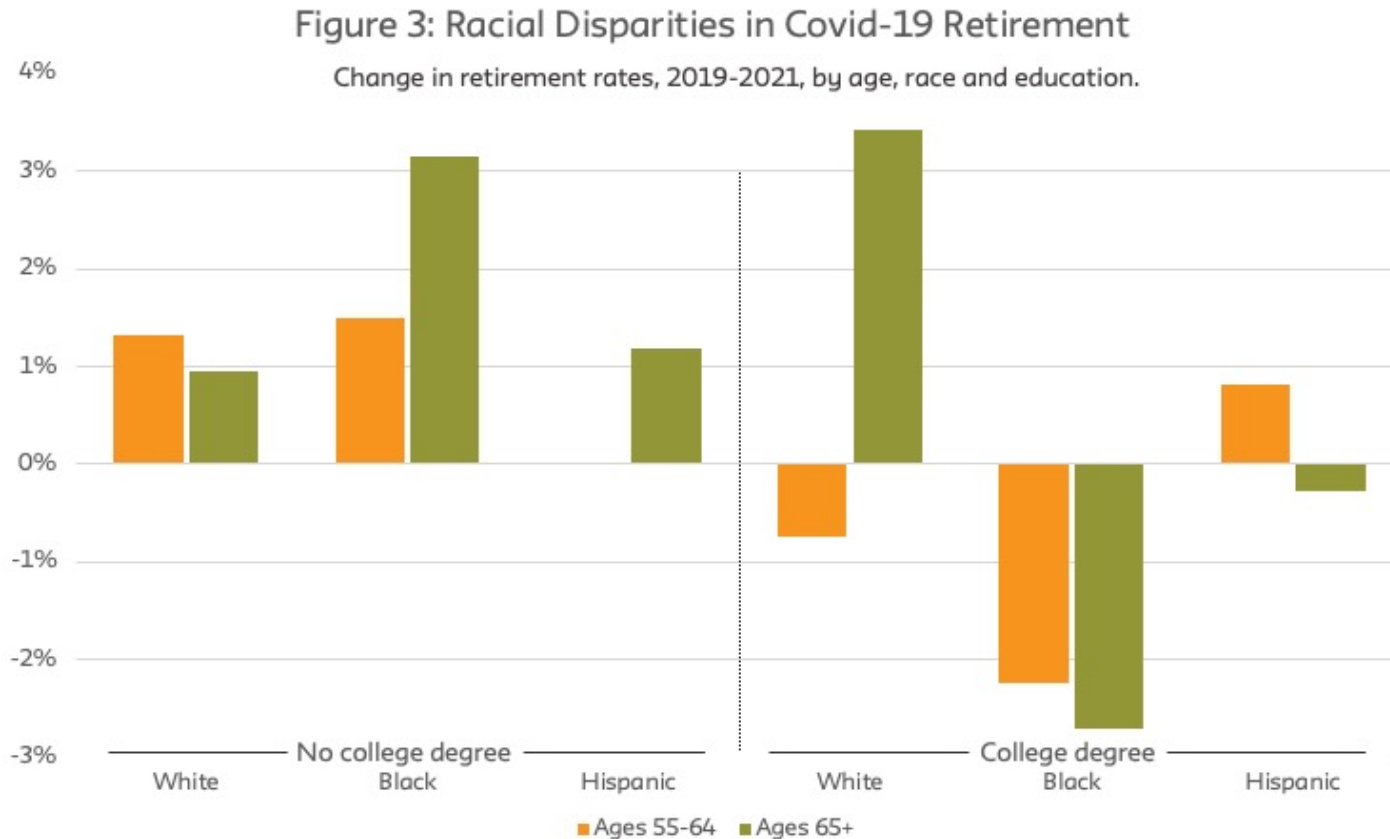


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Why the divergence between college-educated and non-college workers?

- Employment prospects
 - Low job security and bad job options out of unemployment → more retirement at younger ages for non-college workers
- Retirement readiness
 - More retirement wealth at later ages helps college-educated older workers retire

Pandemic retirement trends were unequal by race



Source: Current Population Survey



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THANK YOU

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