A Fifth of Americans Do Not Plan to Retire

Whether it comes from financial necessity or potential boredom, a fifth of Americans do not plan to retire. The decisions could substantially alter the landscape of the U.S. job market, to the detriment of the young. According to researchers for the Pew Charitable Trusts that surveyed 7,000 households and held focus groups:

1 in 5 Americans (21 percent) say they are not planning to retire.

Just 26 percent have a traditional notion of retirement, in which they stop working altogether. More than half (53) anticipate doing something else, including working at a different job.

More generally, Pew put retirement concerns in context:

The study finds that Americans are more optimistic about their finances and the economy than they have been in years. At the same time, however, nearly 6 in 10 say they are unprepared for a financial emergency, and only half say their households are financially secure. Retirement is a major concern, and most Americans report having experienced a financial shock in the previous year. The findings suggest that more work needs to be done to help encourage families' economic security today and to chart their path toward economic mobility in the future.

The Bureau of Labor Statistics reported that only 5% of people over 55 are unemployed. The number holds at the same level for people over 65. The situation for younger Americans remains dire, worse than most segments. The unemployment rate for Americans aged 16 to 19 is 16.6%. For those 20 to 24 years old, the figure is about 10%.

Traditionally, as older Americans retire, they make way to create jobs for younger people. That cycle has apparently been broken as people find they do not have adequate savings to retire. Some of this may have to do with the collapse of the housing market. Homes represented a pool of money that could be traded for savings.

The trends that show older Americans need to or wish to stay in the labor market means a blocking of people who would normally begin their work lives in their early 20s. The longer these Americans remain out of work, the less chance they have to save, and the lower their chances of becoming home buyers and, in many cases, healthy consumers. Their truncated work lives and the financial problems they cause may affect their earning power for decades and be a drag on gross domestic product.

While the old work, the young face difficult prospects.

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