



# Early Claiming of Social Security Retirement Benefits Increased During the Recession

April 2013

## The percentage of workers claiming retirement benefits at age 62 increased more than two percentage points during the recession

Fully insured men claiming benefits at age 62 increased from 33.5 percent in 2007, the year before the recession, to 35.8 percent in 2009, at the lowest point of the recession. Fully insured women claiming benefits at age 62 increased from 36.3 percent in 2007 to 38.9 percent in 2009.

## The increase in claiming at the earliest eligibility age of 62 interrupted a declining trend

For both men and women, the percentage claiming at age 62 began to decrease after 1997. Before then, the rate of women claiming at age 62 was about 50 percent while the rate of men claiming at age 62 increased from 37 percent in 1975 to 49 percent in 1993.

## At the state level, higher rates of claiming retirement benefits at age 62 are correlated with higher rates of unemployment

In 2009, when the national unemployment rate was 9.3 percent, state-level unemployment rates varied from 4 percent in North Dakota to 13 percent in Michigan. The four states with the lowest rates of claiming at age 62 (less than 33 percent) had unemployment rates between 6 percent and 8 percent. The four states with the highest rates of claiming at age 62 (greater than 53 percent) had unemployment rates between 10 percent and 13 percent.

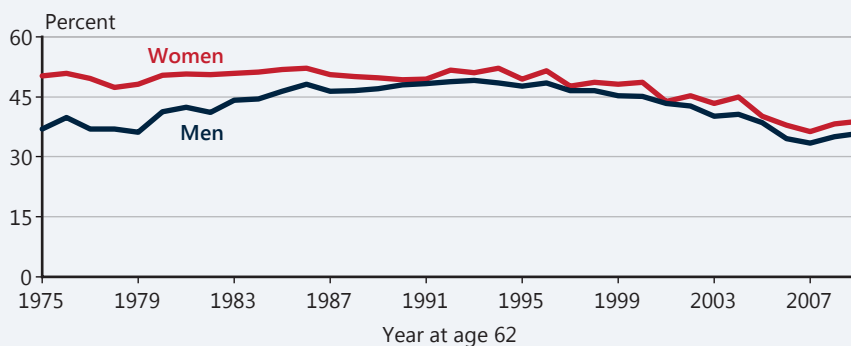
## Background

- The global financial crisis that began in 2008 resulted in a sharp decline in wealth and employment.
- Declines in wealth tend to encourage workers to claim benefits at later ages to rebuild their retirement savings.
- Declines in employment tend to increase claiming at age 62 as a replacement for lost earnings.
- The net effect of the above two responses is uncertain and the result can have significant implications for retirement security.

## Key Terms

- *Early claiming* refers to the percentage of each birth cohort that claims at age 62, the earliest eligibility age.
- *Fully insured* means the worker has 40 quarters of work covered under Social Security.

## Percent of Fully Insured Workers Who Claim Retirement Benefits at Age 62, Cohorts Born Between 1913 and 1947



SOURCE: Authors' calculation based on SSA administrative data, Continuous Work History Sample.

NOTE: 1975 is the year the cohort born in 1913 reached age 62.

**SOURCE:** All data not otherwise referenced is from Fichtner, Jason J., John W.R. Phillips, and Barbara A. Smith. 2012. "Retirement Behavior and The Global Financial Crisis." In *Reshaping Retirement Security: Lessons from the Global Financial Crisis*. 81–100. USA: Oxford University Press.

**NOTES:** All content is simplified for presentation. Please see source material for full details and caveats.

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