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Moving Target Dates: Delayed Retirement Realities



For many American workers over 50, retirement timelines have become a moving target, with increasing numbers now planning to stay employed longer due to economic volatility, market uncertainty, and the rising cost of living. Gen Xers, now in their mid-to-late 40s, 50s, and early 60s, are increasingly anxious about their retirement readiness. With median retirement balances of a 55-year-old at \$50,000 and confidence in Social Security eroding, some say they simply can't afford to stop working.

How can plan sponsors support employees through shifts while also managing the ripple effects?

Anticipate organizational impacts. Delayed retirement brings significant implications for employers and workers, both in terms of risks and potential rewards. For companies, wage and benefit costs can rise, succession plans may stall, and younger employees might face slower promotion paths. On the other hand, retaining experienced employees, particularly in part-time or phased-retirement roles, can help organizations preserve valuable institutional knowledge, boost mentorship potential, and add stability to teams in transition. For employees, the need for continued employment can pose challenges, especially for those with health issues. However, it can also bring greater financial stability as well as a continuing sense of purpose and contribution.

Consider “flexirement” options. More workers are looking at blending reduced hours with a phased transition out of the workforce. One survey found 80% of U.S. adults plan to work in some capacity after retirement, with 25% hoping to stay full-time beyond age 60, and 16% interested in continuing with their current employer part-time or as a consultant. Retirement can be seen as an offramp, rather than a cliff. Plan sponsors can support this shift by offering flexible arrangements that retain valuable talent while helping employees ease into retirement on their own terms.

Encourage personalized one-on-one financial planning. As confusion and anxiety about retirement grow, especially among Gen Xers uncertain about Social Security and long-term financial stability, plan sponsors can help by making personalized, one-on-one guidance more visible and accessible. Talking through scenarios with a financial advisor can clarify trade-offs, highlight options, and give employees a better sense of control over their evolving retirement outlook.

Hitting a Moving Target

How do you hit a moving target? Anticipate movement and direction. The earlier both plan sponsors — and participants — recognize that retirement timelines are shifting, the better they can plan, prepare, and pivot. For the employee, this may mean reworking their financial plan with an advisor. And for the employer, it may



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involve looking for ways to continue engaging the employee through part-time work or project-based consulting in areas where their experience can create the most value, whether mentoring newer employees or leading knowledge transfer efforts.

As retirement timelines shift, sponsors have an opportunity to recalibrate their aim to keep their organizations, and their participants, on track.

Sources

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