

The projected asset picture for older people was somewhat better. Given "strong" saving behavior, aged units in 1980 could be expected to have accumulated substantially greater total assets than aged units possessed in 1962. Given past experience, however, a large proportion of these assets would be in the form of less liquid home equity; projected aged financial assets in 1980, although distinctly improved over the 1962 situation, were much smaller than projected total assets.

The saving rate and assumptions upon which the estimates were based were, as in the case of social security benefit increases, considered liberal. The simulation model assumed that all units saved, subject only to the qualification that this saving was reduced as a result of unemployment experiences. In contrast, however, a large proportion of people currently reach retirement age with little or no personal financial assets. The "1963 Survey of the Aged" found, for example, that 22 percent of couples, and approximately 35 percent of unmarried individuals between the age of 62 and 64, were without financial assets, and that 9 percent and approximately 20 percent, respectively, had no assets of any kind.¹⁰ Whether personal savings behavior for retirement will change significantly for a large segment of the population, therefore, still remains to be seen.¹¹

2. THE QUESTION OF EARLY RETIREMENT

The research results summarized above indicate a possible need for additional action to improve the incomes of future aged persons. Such a conclusion assumes that the aged population desires (and that society in general concurs) to be able to maintain a standard of living for most aged units which is comparable in some way to the rest of society. Rejected is the idea that old age is a hibernation period where living slows down almost to a stop while people wait for death.

"Whether we should have a society in which a large fraction of the public scrimps in their productive years to provide themselves with a higher standard of life in old age than they ever enjoyed in the prime of life,"¹² or whether we should have a society—as now—in which a large fraction of the public lives in retirement, at a significantly lower standard of living than they enjoyed while the head worked, is a legitimate question to be decided by people—individually and/or collectively. There are, of course, a whole range of intermediate alternatives.

The remainder of this paper focuses upon one economic aspect of the aged question receiving increased attention. It studies some of the possible implications of retirement at earlier ages. In addition, it raises objection to proposals advocating reduction of the eligibility age for social security retirement benefits.

3. THE EARLY RETIREMENT TREND

There is a rapidly accumulating body of data which indicates a significant rise in "early retirement" (i.e., before age 65) among male

¹⁰ Epstein, *op. cit.*, table 4.5.

¹¹ For additional problems associated with savings in the form of home equity, see James H. Schulz, "Some Economics of Home Ownership," *Gerontologist*, vol. 7 (March 1967), pp. 73-74, 80.

¹² Milton Friedman, "Capitalism and Freedom" (Chicago: University of Chicago Press, 1962), p. 189. Friedman attributes this position to proponents of a policy of governmental intervention in retirement planning.