TABLE 8.—PROJECTED[1] RATIO OF TOTAL PENSION INCOME[2] TO PRERETIREMENT EARNINGS[3] FOR RETIRED NONAGRICULTURAL MALES[4]

[Percent distribution]

Ratio	Age at retirement		
	Less than 60	60–64	65 or over
Less than 0.10	16	6	3
0.10 to 0.19	50	19	10
0.20 to 0.29	23	27	16
0.30 to 0.39	5	21	26
0.40 to 0.49	3	11	15
0.50 to 0.59	1	5	12
0.60 to 0.69	1	4	7
0.70 to 0.79	0	3	5
0.80 to 0.89	0	1	2
1.0 or more	1	1	4
Total	[5] 100	100	100

[1] Source: Simulation model (see text).
[2] Social security, private pension, and/or Government employee pension.
[3] Average of 5 years prior to retirement.
[4] Married males only.
[5] May not sum to 100 percent due to rounding.

The replacement ratios for men retiring before age 60 were much worse than those for men retiring at the "normal" age of 65 or more. For example, only about 3 percent of those retiring before age 60 are projected to have a replacement of 50 percent or more of their average annual earnings from pension income. In contrast, a little less than one-third of those retiring at age 65 or after are projected to have a replacement above 50 percent.

6. Retirement Policy

The preceding sections have raised a number of questions regarding the advisability of lowering the eligibility age for social security at this time. Above all, there is a clear need for additional information regarding the reasons for the apparent rising numbers of males retiring before age 65.[32] In addition, it would be helpful to have detailed studies available on the experience other countries have had with early retirement provisions different from those of the U.S. social security system and with special unemployment provisions for older workers.[33]

Social security eligibility (with actuarial reduction) at age 60 or some other age could give greater retirement flexibility to older workers. But this expansion of the worker's freedom of choice regarding retirement planning necessities an economic environment which allows him to work if he is willing and able. If he is unable to work, because of age discrimination or because he lacks an appropriate skill or just because of the lack of jobs in a depressed labor market, retirement flexibility becomes meaningless. Early social security eligibility then becomes a sop or substitute for public assistance. At the same time

[32] A study by the Social Security Administration of early retiring persons in its "Continuous Work History Sample," who became eligible or "entitled" to retirement in 1964 is almost completed and promises to offer additional insight into the question.
[33] For example, Austria and West Germany both have "special" early retirement provisions.