



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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Americans Work Longer for Many Reasons

The National Press Foundation recently held the conference “Why Americans Are Working Longer,” to examine why this trend is occurring. Historically, beginning in the late 1800’s, most older men dropped out of the labor market, but in the mid-1990’s both men and women stopped leaving the workplace and continued working later into life, according to Courtney Coile, a professor of economics at Wellesley College.

Some of the reasons for working longer include: better health and longevity, higher levels of education; and a shift from “defined benefit” retirement plans that were provided in the form of pensions, to “defined contribution” plans, like 457 and 401(k) plans. These plans rely on the employee, rather than the employer, to provide the vast majority of retirement contributions. Because of this switch, many people can no longer rely on a pension to provide all of their retirement income. For this reason, some people are driven to work longer, since they don’t have the financial resources to retire.

You should be aware of these factors even though you’re early in your professional life. The more you save now, the more comfortable you are likely to be in retirement. As you progress in your career, you will earn more in terms of salary and benefits, which will give you a greater opportunity to save for the future, potentially contributing more toward your retirement savings. This may eventually allow you to choose to retire when you want, rather than needing to continue working when you would rather not.

While not everyone wants to or even can work later in life, there are a lot of people who do. Some work longer for better financial security, some for social interaction and some just because they enjoy what they do. No matter what the reason, Ohio DC can help you save more so you aren’t forced to work longer than you want to.

Whether you plan to work later in life or not, Ohio DC has the resources to help you save for a more comfortable retirement, call our Service Center at 877-644-6457 to learn more about the services we provide, to schedule a visit, or to find out when you can meet with your local Account Executive. You can always visit our website at Ohio457.org to learn more.

Investing involves market risk, including possible loss of principal.