Brett Arends's ROI

Opinion: COVID-19 crisis sparks ‘early retirement’ wave

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By Brett Arends

Many laid-off workers say they’re outta here for good, research shows

Some workers have just had enough of office life **Everett/20th Century Fox Film Corp**

For many Americans, maybe the anthem of the coronavirus crisis isn’t going to be the Rolling Stones’ Living In A Ghost Town.

It’ll be Johnny Paycheck’s old classic, You Can Take This Job And Shove It.

Millions of those who have lost their jobs in the last two months aren’t coming back, according to new research. They’ve had enough of years of endless internal meetings, messy office politics, and oppressive, unhygienic open plan offices, and they’ve decided to take early retirement.

"We see a large increase in those who claim to be retired," write economics professors Olivier Coibon of the University of Texas at Austin and Yuriy Gorodnichenko of the University of California at Berkeley and finance professor Michael Weber of the University of Chicago's Booth School of Business. "This makes early retirement a major force in accounting for the decline in the labor-force participation.... [it] suggests that the onset of the Covid-19 crisis led to a wave of earlier than planned retirements."

They conducted the survey in the first week of April through the regular Nielsen Homescan panel, which taps nearly 100,000 households. About 9,500 households responded to the questions about job losses.

The professors reckon about 8% of the U.S. population had lost their jobs between January and early April, equivalent to about 20 million people—even bigger than the new unemployment claims seen over that period.

And if that held true for the rest of the month, it means the latest shocking numbers won't be the worst of it, and the actual number of job losses will exceed the 30 million currently estimated.

But the numbers actively looking for work isn't spiking by anywhere near the same amount, they say, because of people dropping out of the labor force. Many will just be waiting out the lockdowns and the economic freeze. But while some will come back when the crisis passes, many others hope they won't.

Weber, contacted by email, pointed out that the numbers were preliminary. But, he added, "based on past experience, the longer the situation continues, the more severe the issue of discouraged workers and early retirements."

Gorodnichenko said that the early data suggested women were taking early retirement at a higher rate than men.

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According to the U.S. Labor Department, prior to this crisis there were more people over 55 in the labor force than there were people under 30. In total, the people over age 55 accounted for 43 million workers, or one quarter of the entire labor force.

The world is currently awash in PowerPoint presentations that make predictions about what the world will look like “after COVID.”

If this latest analysis is correct, one consequence may be the increased “millennialization” of the office, as many more baby boomers leave. MW

I’m retired and claim Social Security — do I still get the $1,200 stimulus check?

Brett Arends

Brett Arends is an award-winning financial writer with many years experience writing about markets, economics and personal finance. He has received an individual award from the Society of American Business Editors and Writers for his financial writing, and was part of the Boston Herald team that won two others. He has worked as an analyst at McKinsey & Co., and is a Chartered Financial Consultant. His latest book, "Storm Proof Your Money", was published by John Wiley & Co.

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Account Type

Savings & MMAs

Zip Code

48189 Whitmore Lake, ...

Deposit Amount

$ 25,000

Bank/Institution	APY	Min. balance	Est. earnings
SAVINGS ACCOUNT Member FDIC	APY		1.60% May 4, 2020
	Min. balance		$100
	Est. earnings		$400 Over 1 Year
		Next	
	Next		
	APY		1.55% May 4, 2020
	Min. balance		$0