

# Here's the Average Social Security Benefit at Ages 62 and 70

**The age at which you begin collecting a Social Security check can have a huge impact on how much you'll receive each month.**

For most Americans, a monthly Social Security check isn't a luxury. Rather, it's a foundational source of income that retirees would struggle to make do without.

For the last 23 years, national pollster Gallup has conducted an annual survey to decipher how reliant retirees are doing on the income they receive from Social Security. Gallup found that 80% to 90% of respondents, including 88% of those polled in 2024, require their Social Security check, in some capacity, to cover their expenses.

In simpler terms, getting as much as possible out of Social Security is vital to the financial well-being of current (and future) retirees.

But to maximize what you'll receive from America's leading retirement program, you'll first need to understand the ins and outs of how your benefit is calculated. Only then can you wrap your mind around how much the payout pendulum can swing when taking benefits at opposite ends of the traditional claiming spectrum: ages 62 and 70.

## **Four variables are used to calculate your monthly Social Security check**

Although Social Security is known to throw a curveball or two at its beneficiaries (did you know Social Security benefits can be taxed not only at the federal level but also in nine states?), the variables used to calculate your monthly Social Security check are straightforward. In no particular order, the Social Security Administration (SSA) will account for your:

- Earnings history
- Work history
- Full retirement age
- Claiming age

When calculating what you'll collect on a monthly basis, the SSA factors in your 35 highest-earning, inflation-adjusted years. Since your earnings history is based on earned income (wages and salary but not investment income), a worker with a higher average wage or salary throughout their lifetime is likely to bring home a bigger Social Security benefit during retirement.

Just be aware that the SSA will penalize retirees who don't have at least 35 years of work history. For every year less than 35 worked, the SSA will average a \$0 into your calculation. In other words, you have no chance of maximizing what you'll receive from Social Security if you fail to work for at least 35 years.

Your full retirement age refers to the age you become eligible to collect 100% of your monthly retired-worker benefit. Since it's determined by your birth year, full retirement age is the only variable of the four that you can't control.

Lastly, and arguably most importantly, the age you choose to begin collecting benefits will impact what you'll receive. Although retired-worker benefits can be collected as early as age 62, there's a monetary incentive to be patient. For every year a worker waits to collect their initial payout, beginning at age 62 and continuing through age 69, their benefit can grow by as much as 8%. You can see how much these monthly payouts can vary, based on your birth year and claiming age, in the table below.

Birth Year	Age 62	Age 63	Age 64	Age 65	Age 66	Age 67	Age 68	Age 69	Age 70
1943-1954	75%	80%	86.70%	93.30%	100%	108%	116%	124%	132%
1955	74.20%	79.20%	85.60%	92.20%	98.90%	106.70%	114.70%	122.70%	130.70%
1956	73.30%	78.30%	84.40%	91.10%	97.80%	105.30%	113.30%	121.30%	129.30%
1957	72.50%	77.50%	83.30%	90%	96.70%	104%	112%	120%	128%
1958	71.70%	76.70%	82.20%	88.90%	95.60%	102.70%	110.70%	118.70%	126.70%
1959	70.80%	75.80%	81.10%	87.80%	94.40%	101.30%	109.30%	117.30%	125.30%
1960 or later	70%	75%	80%	86.70%	93.30%	100%	108%	116%	124%

Data source: Social Security Administration.

### What's the average Social Security benefit at ages 62 and 70?

Despite this wide variance in monthly payouts, there are clear-cut advantages and drawbacks associated with every traditional claiming age (62 through 70). However, these differences are especially pronounced at the earliest (age 62) and latest (age 70) traditional collecting ages. Let's take a closer look at the pros and cons -- along with the average monthly benefit -- associated with these end-of-the-spectrum claiming ages.

#### Age 62

Arguably the biggest temptation to claiming benefits at age 62 is not having to wait to get your hands on your payout. This can come in especially handy for eligible beneficiaries who aren't working or may be trying to pay down debts before retirement.

The other reason age 62 is likely to remain a popular claiming age is that sweeping benefit cuts may be right around the corner. The 2024 Social Security Board of Trustees Report forecasts the depletion of the Old-Age and Survivors Insurance Trust Fund's (OASI) asset reserves by 2033. If the OASI's asset reserves are exhausted, sweeping benefit cuts of up to 21% may be necessary for retired workers and survivor beneficiaries in nine years. Collecting benefits at age 62 might be viewed as a way of front-running potential cuts.

But there are also downsides to taking your benefit at age 62. For one, your monthly benefit will be permanently reduced by 25% to 30%, depending on your birth year.

Additionally, early filers can be exposed to the retirement earnings test, which allows the SSA to withhold some or all of their benefits depending on how much they earn.

#### Age 70

On the other hand, waiting eight years to initially claim benefits at age 70 will maximize what you'll receive monthly. Depending on the year you were born, collecting at age 70 will boost your monthly check

by 24% to 32% above what you'd have received at your full retirement age. This can be a particularly attractive option for retirees in good health.

However, patience can have its disadvantages, too. Specifically, there's no guarantee that an age 70 claimant will live long enough to also maximize their *lifetime* (key word!) benefit from Social Security.

With a clearer understanding of the catalysts that drive retirees to begin collecting benefits at these two opposite ends of the spectrum, let's now dive into what really matters: the average benefit at ages 62 and 70.

Every year, Social Security's Office of the Actuary (OACT) releases a data set that breaks out average retired-worker payouts at each age from 62 through 99-plus. Keep in mind that this average benefit is based on the recipient's *age*, as of December 2023, and isn't necessarily indicative of the age they opted to begin receiving benefits, with the exception of age 62.

In December 2023, the SSA's OACT found that roughly 590,000 retired-worker beneficiaries were receiving an average of \$1,298.26 at age 62. By comparison, just over 3 million beneficiaries took home an average check of \$2,037.54 at age 70. This represents a 57% difference in average monthly payout between ages 62 and 70.

### **There is, indeed, a statistically superior claiming age**

Based on the sizable gap in average retired-worker benefits between ages 62 and 70, you might be wondering whether there's a claiming age that's proved superior at maximizing lifetime benefit collection for retirees. For this answer, I'll let a statistical analysis conducted five years ago do the talking.

In 2019, the researchers at United Income published a study (*The Retirement Solution Hiding in Plain Sight*) that extrapolated the claims of 20,000 retired workers to determine whether they had made an "optimal" choice. In this case, an optimal claim is one that would have maximized *lifetime* income collection from America's leading retirement program.

The primary finding, which shouldn't come as much of a surprise, is that only 4% of the claimants had optimized their benefit. Since none of us knows our "departure date" ahead of time, our claiming decision will always involve a combination of common sense and luck.

But the more important discovery made by United Income is that actual and optimal claims were nearly perfect inverses of each other.

For example, 79% of the 20,000 retired workers analyzed began collecting their payouts at ages 62, 63, or 64. However, United Income found that these three claiming ages would have been optimal for only 8% of the retired workers studied.

On the other hand, even though very few retirees initially collected their Social Security check at age 70, this age would have been optimal for 57% of the 20,000 claimants.

To be clear, this analysis doesn't mean that waiting until age 70 is the universal answer for retirees. People with one or more chronic health conditions that could shorten their life expectancy may be able to maximize their lifetime benefit by claiming early. Likewise, it might make sense for a lower-

earning spouse to take their payout early so their significant other (and household breadwinner) can have their benefit increase over time.

But when widening the lens and looking at this choice from a purely statistical standpoint, waiting to claim Social Security is likely to be a smart choice more often than not for future generations of retired workers.