

# History of Retirement

Retirement was actually invented in 1889 by Otto von Bismarck, the chancellor of Germany. He created a plan that permitted civil servants to retire with a small pension. Taking a fancy to the biblical expression “three score and ten,” he set the retirement age at 70.

## At a glance: The history of retirement

- 1889: Germany sets a retirement age of 70 – when life expectancy is 46.
- 1920s: Pension plans begin to grow in America.
- 1933: Retirement is promoted as “socially desirable” to open up jobs for young people.
- 1935: The Social Security act is passed in the U.S. Retirement age is set at 65. Life expectancy is 63. More than 40 workers support each Social Security recipient.
- 1940s: Private pension plans expand dramatically.
- 1950s: Insurance companies and retirement community developers sell the “golden years” as a life of leisure. Sixteen workers now support each Social Security recipient.
- 1983: Social Security retirement age is raised to 67, effective in 2027.
- 1990s: The average life expectancy rises to 75 years, and the demographics change.
- 2004: There are now only three workers to support each Social Security recipient.
- 2011: The first of 76 million Baby Boomers reaches 65.