

How Taking Social Security Early Can Give You a 15-Year Head Start on Retirement



By Nicole Spector | March 1, 2023



The full retirement age (FRA) is now 67. This is when you become eligible for unreduced [Social Security retirement benefits](#).

But note the language. Though that is when you become eligible for unreduced Social Security retirement benefits, that is not when you become eligible for Social Security benefits in general. That actually starts at the age of 62. So, technically, you needn't wait until FRA to begin receiving Social Security checks.

Research has shown that many Americans opt to take Social Security benefits as soon as they can. A 2020 analysis by the Bipartisan Policy Center found that 62 is the most frequent claiming age.

[Taking Social Security benefits early is a controversial decision](#), with pros and cons, that we will explore here. But first let's do the math and figure out how much you'll earn in Social Security benefits if you collect early versus if you wait until FRA.

Doing the Math

Here's a graph that Drew Parker, creator of [The Complete Retirement Planner](#), put together based on the following assumptions of two people:

- Both examples are for people 62 years old. One takes Social Security benefits starting at 62, and the other claims at FRA, 67.
- Both have a monthly Social Security benefit of \$2,000 at age 67.
- COLA is 1.6% per year.
- Person No. 1 claims Social Security early, at age 62.
- Person No. 2 claims Social Security at FRA, age 67.

Are You Retirement Ready?

AGE	SOCIAL SECURITY INCOME FOR PERSON #1	SOCIAL SECURITY INCOME FOR PERSON #2
62	\$16,800	\$24,000
63	\$17,069	\$0
64	\$17,342	\$0

AGE	SOCIAL SECURITY INCOME FOR PERSON #1	SOCIAL SECURITY INCOME FOR PERSON #2
65	\$17,619	\$0
66	\$17,901	\$0
67	\$18,188	\$25,982
68	\$18,479	\$26,398
69	\$18,774	\$26,821
70	\$19,075	\$27,250
71	\$19,380	\$27,686
72	\$19,690	\$28,129
73	\$20,005	\$28,579
74	\$20,325	\$29,036
75	\$20,650	\$29,501
76	\$20,981	\$29,973
77	\$21,316	\$30,452
Total Received by age 77	\$303,595	\$309,805

“One person claiming at age 62 and another at their FRA age of 67, if all else is equal, will equal out at age 77 and 10 months,” Parker said.

So, the math actually shows that by claiming early at age 62, you can technically get a 15-year head start on your retirement.

But there is a very clear drawback associated with taking Social Security at age 62: It will result in a permanent reduction to your monthly benefits.

“If you claim at age 62, your benefits may be reduced by up to 30%,” said Ali Hashemian, president of [Kinetic Financial](#). “Plus, if you take Social Security early, you will miss out on an 8% annual increase to your benefits every year you defer benefits after full retirement age, up to age 70.”

Yet there are also some pros associated with collecting Social Security early. Let’s explore them.

Life Expectancy Isn’t That Long

It’s a rather morbid fact, but it must be mentioned: life expectancy.

“Life expectancy in the U.S. today is about 77 years old,” said David A. Fowler, CFP, ChFC, president and financial coach at [High Mountain Financial Coaching LLC](#). “That means statistically more than 50% of people who wait will never even reach age 79 to ‘get ahead.’”

It Will Take Weight Off Your Investments

Collecting Social Security early could take some weight off your retirement investments and savings accounts.

“Not having to draw down your savings/investments as much will allow them to work longer/grow,” said Jaimin Garabedian, a financial planner, chartered retirement planning counselor and the founder of Assurance Wealth Management.

It May Be Strategic If You’re Married

If married, this could be a strategic move for one spouse to make.

“There are a lot of times when a good strategy would be for one spouse to take Social Security early while the other defers until later,” Garabedian said. “The initial spouse then elects to take the spousal benefit once their husband/wife started the deferred Social Security. Analyzing and doing the math on this will be necessary to figure out if it’s a good strategy for everyone.”

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It Could Give You More Control Over Your Taxes

Though taking Social Security early may reduce your benefit amount, it could give you more control over your taxes.

“Future taxable rates are uncertain,” Hashemian said. “If tax rates increase significantly down the road, it may be beneficial to have a lower Social Security benefit payment to avoid being bumped into a higher tax bracket that further cuts into your retirement income.”

Ultimately, the decision to collect Social Security early is a personal one, but a few key factors should come into play when you’re making your decision.

“There are three factors to consider when deciding whether or not to start Social Security Income (SSI) sooner: longevity, health status and retirement income needs,” Hashemian said. “If your estimated longevity or health status might mean a shorter life expectancy, there is no benefit in delaying Social Security since there isn’t a significant lump sum benefit if you were to pass away.”