

MONEY MYTHS SERIES

Take Social Security at 62 and Invest It? The Breakeven Math

The breakeven math on claiming Social Security at 62 versus 67 or 70, the return you'd need to beat waiting, and the cost to a surviving spouse.

By Eric Ridley, attorney, Ridley Law · Updated September 2026 · Read online with live links: ridleylawoffices.com/social-security-at-62/

Part of our [money myths series](#), where we check the money advice on Instagram, TikTok and YouTube against the actual rules.

The claim: Take Social Security at 62 and invest it. You'll come out ahead, and the system is going broke anyway.

The verdict: For many people, especially the higher earner in a married couple, it's a costly bet. Claiming at 62 permanently cuts the benefit to 70% of the full amount for anyone born in 1960 or later, while waiting to 70 raises it to 124%. In our example, the early claimer's head start runs out around age 80, and to beat waiting until 70 by investing, you'd need about 5% a year after inflation, fees and taxes if you live to 90. The early claim also shrinks what a surviving spouse gets for life.

70%

Benefit at 62 vs. full retirement age, born 1960 or later (SSA)

8% a year

Delayed retirement credit after full retirement age, to age 70 (SSA)

About 80

Breakeven age, claiming at 62 vs. 70 (our example)

20.3 / 23.1 years

Life expectancy at 62, men / women (SSA 2023 period table, 2026 Trustees Report)

83%

Share of scheduled benefits payable after 2034 if Congress does nothing (2026 Trustees Report, combined funds)

Who gets paid when you follow this advice? Whoever invests the money. An adviser paid a percentage of assets earns more the sooner your checks start flowing into the account, and an annuity seller earns a commission on the product you buy with them. The cost of fees compounds: the SEC's Investor.gov shows \$100,000 growing at 4% for 20 years ends near \$208,000 with a 0.25% annual fee and near \$179,000 with a 1% fee. The "Social Security is going broke" line helps the pitch, because fear moves people to act early. None of that is a reason to assume bad faith. It's a reason to ask how the person giving the advice is paid before you take it.

How much smaller is Social Security at 62?

For anyone born in 1960 or later, claiming at 62 pays 70% of the full retirement benefit, a 30% cut that lasts for life (SSA). Full retirement age for that group is 67.

Waiting past full retirement age adds delayed retirement credits of 8% a year for people born in 1943 or later, and the credits stop at age 70 (SSA). Three years of credits takes a 67-year-old's benefit to 124% of the full amount. The gap between 62 and 70 is the difference between 70% and 124% of the same benefit.

Early claiming is common. The CFPB reported that in 2013 nearly 46 percent of claims were filed at age 62, often with limited information about what the choice costs.

The reduction is set by statute. The Social Security Act reduces an early old-age benefit by five-ninths of 1% for each of the first 36 months before full retirement age and five-twelfths of 1% for each month beyond that (42 U.S.C. § 402(q)). For someone with a 60-month gap, that's 20% plus 10%, which is SSA's 30%.

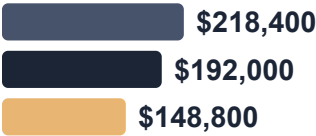
When does waiting pay off? The breakeven age

In our example, waiting until 67 overtakes claiming at 62 at about age 78 and 8 months, and waiting until 70 overtakes it at about age 80 and 4 months. The example is hypothetical:

- A worker born in 1964 has a full-retirement-age benefit of \$2,000 a month.
- Claiming at 62 pays \$1,400. At 67, \$2,000. At 70, \$2,480.
- All figures are in today's dollars. Cost-of-living adjustments raise every option by the same percentage, so they don't change who comes out ahead. We ignore income tax.

■ Claim at 62 ■ At 67 ■ At 70

By age 75



By age 80



By age 85



By age 90



By age 95

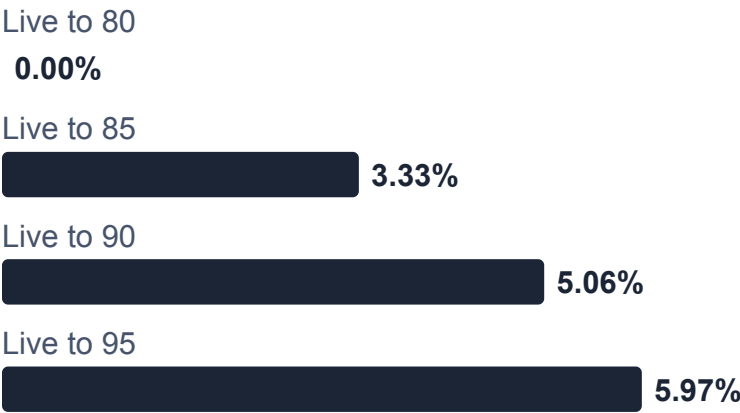


Age reached	Total collected, claim at 62	Total collected, claim at 67	Total collected, claim at 70
75	\$218,400	\$192,000	\$148,800
80	\$302,400	\$312,000	\$297,600
85	\$386,400	\$432,000	\$446,400
90	\$470,400	\$552,000	\$595,200
95	\$554,400	\$672,000	\$744,000

Social Security's own actuarial table puts the average remaining life at 62 at 20.29 years for men and 23.08 years for women, using 2023 mortality as applied in the 2026 Trustees Report. Those are averages; half of people live longer. If you reach your mid-80s, waiting wins in this example, and the longer you live, the bigger the margin.

Can you beat waiting by investing the early checks?

Only with steady returns most people don't get. In our example, the return you'd need on every early check, after inflation, to match waiting until 70:



If you live to	Real annual return needed for claiming at 62 to match claiming at 70
80	0% (claiming at 62 is still slightly ahead)
85	3.33%
90	5.06%
95	5.97%

That's a real return, above inflation, after any advisory fee and after taxes, every year, including the bad ones. Social Security already grows with inflation; benefits rose by a 2.8% cost-of-living adjustment effective December 2025 (SSA). It's paid for life and doesn't fall when the market does. A portfolio has to beat that on a risk-adjusted basis, and the bet only pays off in the scenario where you die relatively young. Longevity is the risk Social Security insures against; claiming early to invest gives up some of that insurance.

How does claiming at 62 affect a surviving spouse?

It can cut the survivor's income for the rest of their life. When a worker who claimed early dies, the widow's or widower's benefit is generally capped at the larger of the worker's reduced benefit or 82.5% of the worker's full benefit (SSA POMS RS 00615.320). When a worker waits past full retirement age, the delayed credits carry over to the surviving spouse (42 U.S.C. § 402(e)(2)(C)).

Take a husband with a \$2,800 full-retirement-age benefit and a wife who outlives him and has a smaller benefit of her own. Assume she claims survivor benefits at her own full retirement age, when SSA pays up to 100% of the deceased spouse's benefit:

Husband claimed at 62

 **\$2,310**

Husband claimed at 67

 **\$2,800**

Husband claimed at 70

 **\$3,472**

Husband claims at	His monthly benefit	Widow's monthly survivor benefit at her full retirement age
62	\$1,960	\$2,310 (82.5% floor applies)
67	\$2,800	\$2,800
70	\$3,472	\$3,472

In this hypothetical, his early claim costs her \$1,162 a month for as long as she lives, compared with waiting to 70. Women at 62 have longer average life expectancy than men in SSA's table, which is why the higher earner's claiming age often matters most to the surviving wife. This is one reason the claiming decision belongs in the same conversation as your estate plan, along with [how your plan provides for a surviving spouse](#).

Is Social Security going broke?

No. The 2026 Trustees Report projects that the retirement trust fund (OASI) can pay full scheduled benefits until the fourth quarter of 2032, after which incoming taxes would still pay 78% of scheduled benefits. Combined with the disability fund, full benefits last until the third quarter of 2034, then 83%.

A shortfall is a real problem for Congress, and nobody can promise how it will be fixed. A fund that can pay roughly four-fifths of benefits isn't broke, though, and claiming at 62 doesn't protect you from a future cut. Your benefit would be reduced by the same percentage either way.

What if you claim at 62 and keep working?

Social Security may hold back part of your check. In 2026, if you're under full retirement age for the whole year, SSA withholds \$1 for every \$2 you earn above \$24,480 (SSA). The withheld money isn't lost; your benefit is recalculated upward at full retirement age. Still, the "take it at 62 and invest it" plan assumes the checks arrive in full, and for people still working they often don't.

What should you do instead?

1 Get your real numbers

Your *my Social Security* statement shows your benefit at each age. Use it, not a rule of thumb.

2 Plan as a couple

The higher earner's claiming age sets the survivor benefit. A common plan is for the lower earner to claim earlier and the higher earner to wait.

3 Bridge the gap with savings if you can

Living on savings from 62 to 70 lets the benefit grow, and the larger check is inflation-adjusted income for life. If an inherited IRA is part of that bridge, plan the withdrawals; see [why cashing out an inherited IRA usually costs more](#). Borrowing against the house to delay benefits is a separate decision with its own costs, covered in [our reverse mortgage page](#).

4 Ask how the adviser is paid

If someone recommends claiming early so the money can be invested, ask for their fee in dollars and whether they earn a commission.

	Claim at 62 and invest	Wait until 70 (or full retirement age)
Monthly benefit, born 1960 or later	70% of full benefit, for life	100% at 67, 124% at 70
Inflation protection	On the smaller check only; portfolio is up to you	Annual COLA on the larger check
Market risk	Yours	None on the benefit
Fees	Advisory and product fees reduce returns	None
Surviving spouse	Survivor benefit can be capped near 82.5% of full benefit	Survivor keeps the higher benefit
Comes out ahead if you	Die before about 80 (our example)	Live past about 80 (our example)

When does claiming at 62 make sense?

It's a legitimate choice in plenty of cases. If your health or family history points to a shorter life, the math favors claiming early. If you need the money to live and have no savings to bridge the gap, a smaller check now beats high-interest debt. A lower-earning spouse can often claim early while the higher earner waits. Single people with no survivor to protect have less riding on the decision. And if you've stopped working, the earnings test won't touch you.

Frequently asked questions

Is it smart to take Social Security at 62?

It depends on your health, your savings and your spouse. For someone born in 1960 or later, it locks in 70% of the full benefit for life; waiting to 70 locks in 124%. In our example, waiting wins if you live past about 80.

What is the Social Security breakeven age?

In our example, about 78 years 8 months for claiming at 67 vs. 62, and about 80 years 4 months for claiming at 70 vs. 62. Your own breakeven depends on your benefit amounts, but it usually lands near those ages.

How much do I lose by taking Social Security at 62 instead of 67?

30% of your monthly benefit if you were born in 1960 or later (SSA). On a \$2,000 full benefit, that's \$600 a month for life.

Does taking Social Security early reduce my spouse's survivor benefit?

Yes. If you claimed early, your widow or widower's benefit is generally limited to the larger of your reduced benefit or 82.5% of your full benefit (SSA POMS RS 00615.320).

Will Social Security run out before I retire?

The 2026 Trustees Report projects that the combined trust funds can pay full benefits into 2034 and about 83% of scheduled benefits after that if Congress doesn't act. Claiming early doesn't protect you from a cut.

Can I work and collect Social Security at 62?

Yes, but in 2026 SSA withholds \$1 of benefits for every \$2 you earn above \$24,480 until the year you reach full retirement age. The withheld amount is credited back later.

This page is general information, not legal, tax or investment advice for your situation. Examples are hypothetical. Check your own benefit estimates with the Social Security Administration.

Social Security is one piece of a retirement and estate plan. Our [retirement and beneficiary guides](#) cover the accounts that pass by beneficiary form, and our page on [beneficiary forms versus your will](#) explains why they need to match your plan. For the spouse side, see [a spouse's inheritance rights in California](#). More myths are in our [money myths series](#).

SOURCES

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- U.S. Securities and Exchange Commission, Investor.gov, Understanding Fees: investor.gov

Questions about your own plan?

Ridley Law helps California families with trusts, wills, trust administration and probate from Port Hueneme, serving Ventura, Santa Barbara and Los Angeles counties. The first call is free and runs 30 minutes.

ridleylawoffices.com · (805) 244-5291

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