



The Retirement of the Future

Boomers redefine retirement on their own terms: where to live, whether to work, and how to enjoy life

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Not content to exit the workforce because they've hit some predetermined magic age, those of the baby boom generation—the first of whom turn 65 next year—are expected to transform their later years, much as they altered every life phase they have passed through since making their entrance in 1946.

If pundits have it right, Herb Johnson may well be the poster child for the retirement of the future. Johnson blazed a 30-year trail in supply chain management through such major companies as Polaroid Corp. and CVS Caremark Corp., capped off by a stint consulting to Fortune 100 firms. Rather than retiring five years ago, Johnson leaped into an entirely new role as president and CEO of the San Diego Rescue Mission, a faith-based recovery and rehabilitation program for the homeless. Now 66, he works more hours than ever.

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He is thrilled with his career turn and has no thoughts of stepping down. "It's nice to hit profit goals and make a company successful, but it's much more rewarding to watch people at the bottom of their game transform their lives right in front of you," Johnson says. His corporate experience helps him to manage the 90-employee, \$14.5 million operation and to dream up initiatives like his bold, all-night fundraising event, Sleepless America, which he is bringing to missions across the country.

"This is a generation used to being in center stage. The idea of stepping to the sidelines is not going to play with many boomers," says Ken Dychtwald, president of the consulting firm [Age Wave](#). Experts expect many to work as long as they are physically able and to transition when possible into jobs that offer high personal satisfaction. The implications of this coming trend are enormous, thanks to the generation's sheer size: By 2030, the number of adults 65 or older will skyrocket to 72 million, from just over 40 million this year.

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Steve Slon, who chronicled the boomers as the editor of *AARP The Magazine*, takes it as a given that they can reinvent their lives at every turn. "This generation has long had an arrogance—and I use that word in a positive way—in believing a career path should be as flexible and resilient as they want it to be." Slon shares this belief. At 58, after leaving the magazine, he considered opening a bicycle shop before deciding to start a nonprofit healthy

cooking magazine for children. This summer he worked remotely from a rented beach house.

More than money. Part of the impetus behind the expected new path is, of course, financial. With private employer retirement plans having moved toward 401(k)s, boomers are less likely than the previous generation to have pensions financing their post-work years. Moreover, Social Security will likely undergo significant changes; whereas in 2000 nearly five workers supported each retiree, by 2030 there will be fewer than three. "People in their forties can't rely on Social Security to be there in the same way," says Mary Claire Allvine, a financial planner who works out of Chicago and Atlanta. Allvine expects benefits to decrease, the retirement age to rise (it's already been bumped to 67 for the youngest boomers), or the system to morph from a broad entitlement program into a more limited safety net.

Another key factor, however, is that boomers are finding the current retirement landscape wanting. The notion of taking that time and withdrawing to a permanent vacation dates back only to the 1960s, Dychtwald says. Before that, most people were not expected to live many years after they ceased working, if they stopped at all. "There's a dawning realization among boomers that a life of pure leisure, with no challenge or stimulation, is both unaffordable and boring, especially since—with increasing life spans—this phase might last for 30 years or more," Dychtwald notes.

Boomers are also the generation that announced early their intention to change the world. If they got sidetracked for, oh, about 40 years, as they raised their children and earned their paychecks, many still harbor the dream.

A 2008 survey by Civic Ventures, a San Francisco-based think tank, found that half of Americans ages 44 to 50 hope to move into an "encore career." The nonprofit's founder, Marc Freedman, defines the term to mean later-in-life work that combines income with social impact, like Herb Johnson's position.

"At a certain life stage people have always asked themselves, 'What should I do next?' But where the last generation primarily answered that by planning for retirement, increasingly people want to do something with meaning," says Marci Alboher, a vice president of Civic Ventures.

Fortunately, boomers' desire to continue working dovetails with an expected shortage of younger workers who would otherwise take their place. Once the recession is over, researchers at Northeastern University in Boston estimate, the United States will create some 14.6 million new payroll jobs by 2018, but there will be only 9.1 million new workers to fill them—a shortfall of over 5 million people. The biggest gaps will be in education, healthcare, and business operations. "We're at the point where we're surprised by late-life productivity, but in 20 years it will be normal to see older workers in a myriad of jobs," Dychtwald says.

That doesn't mean seniors will want to continue working full time. Many will demand part-time hours, more vacation, or the ability to work at least sometimes from home. "At this stage, people have other obligations and desires, which may involve their health, the needs of their parents or grandchildren, or just recreation and travel. They want work that offers flexibility," Alboher says.

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However, to get and keep their jobs, boomers will need to adjust to a rapidly changing workplace in coming years, cautions Jeanne Meister, coauthor of *The 2020 Workplace* (2010). Boomers are the majority of the workforce today. But by 2015, Meister observes, the millennials (those born from 1977 to 1997) will overtake them. (The group in between, generation X, is too small to ever be a majority.) And by 2020—when five generations are simultaneously employed—boomers won't even represent a quarter of working Americans.

"Millennials have a different way of working, and boomers will have to adapt to stay relevant," Meister says. For example, she envisions a not-too-distant day when team leaders will routinely motivate and manage employees across the globe without ever meeting face-to-face—something today's younger generation knows about from playing online multiplayer computer games. Marketing and communicating via social networking sites will also become the norm. "Older employees frequently tell me they don't have time for social networking because they're 'too busy working.' But that's part of many jobs now, and will be increasingly so in the future," Meister says.

Redefining home. As boomers continue working, they won't be able to pack up and relocate to isolated retirement havens like "Del Boca Vista"—the south Florida community where Jerry Seinfeld's fictional parents resided. Nor would they necessarily want to. "Boomers are narcissistic; if you live in a typical retirement community, it kind of brands you," says Joel Kotkin, a futurist and author of *The Next Hundred Million: America in 2050* (2010).

A recent survey by builder Del Webb found that 58 percent of today's 50-year-olds don't plan to move in their later years, and of those who do, 44 percent say they'll stay in their city or state. "People increasingly realize that their neighborhoods are where their friends are, where their church is. And if it's near their work, why would they want to give that up?" Kotkin says.

That's the conclusion Arline Zatz, 72, and her husband Joel came to. The couple recently pondered moving from their split-level home of 35 years in Metuchen, N.J., to a nearby seniors-only community with amenities like a ground-floor master bedroom and bath and an on-site fitness center. Then they changed their minds. "I feel young; I still go hiking, bicycling, and kayaking," says Arline, a travel and guidebook writer. "Being surrounded by older folks, without the energy of children and younger adults, would age me in a hurry."

Some boomers may migrate to apartments in urban areas, with their cultural offerings and good public transportation, or to college towns, with their vitality and intellectual stimulation. Others may inspire developers to create new forms of housing in their own city or town.

One alternative housing model that already has a toehold in the United States is cohousing. Inspired by projects in Denmark and other European countries developed with government-sponsored loans, cohousing neighborhoods are more tight-knit than others. Residents agree to socialize frequently, such as by breaking bread together several times a week, and to govern the community jointly (with some decisions usually requiring a consensus by everyone).

To foster community, the development's homes, typically a couple of dozen, are clustered around large pedestrian-only areas and a shared "common house" where many of the social activities occur. At the same time, the individually owned homes allow for privacy when desired. "Cohousing appeals to older people because they can depend on their neighbors to be supportive. People age better among neighbors with whom they have close relationships," says Jim Leach, founder of Wonderland Hill Development Co. in Boulder, Colo., which specializes in such communities.

A few (including one in which Leach lives) allow only seniors as residents (some have been built near mixed-age developments to prevent isolation). So far, 116 regular neighborhoods and three seniors-only communities (a fourth breaks ground in Northern California this fall) have been built nationwide—triple the number of a decade ago. Leach expects this rapid expansion to continue, especially for communities geared to older adults. "I've rarely heard from other professional developers before, but recently I've gotten a number of calls expressing interest in learning about creating senior cohousing," he says.

Meeting needs. Wherever they live or work, boomers will likely want to preserve one traditional retirement perk: the ability to pursue hobbies. And companies will undoubtedly accommodate their interests, whether it's playing golf, learning Mandarin, or spending time at an ashram. "Boomers have learned that, when you have such generational gravitas, you can make a marketplace," Dychtwald says. "Their sheer numbers will force businesses, colleges, transportation systems, and other industries to continue bending to their needs," such as by creating flexible work schedules.

Boomers will continue to volunteer, but not just by ladling stew in soup kitchens. Experts expect them to use their education and expertise more, such as by mentoring or teaching.

As members of this generation move through their later years, they have the opportunity to make one more lasting mark. They can create a new balance in which work, learning, relaxation, and social contributions infuse the retirement period. "Society hasn't previously challenged our elders to make a contribution or replant their wisdom," Dychtwald says. "As boomers do that, society will benefit, and so will the tens of millions of longer-living men and women who will continue to feel satisfied with their lives."

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