



## **Boomers Reshaping Retirement**

By: Karen DeMasters | June 5, 2014

Baby boomers are redefining retirement as a stage in life that continues to include work, although it may be a different kind of work from the career phase of the retiree's life, says a new study by Merrill Lynch.

Conducted in partnership with Age Wave, a think tank on aging issues, the study shows that 72 percent of pre-retirees over the age of 50 say their ideal retirement will include working, often in new, more flexible and fulfilling ways, says Merrill Lynch.

Nearly half (47 percent) of current retirees are working or plan to work during their retirement years, according to the study "Work in Retirement: Myths and Motivations," which included responses from 7,000 people.

"Baby boomers are once again redefining a life stage," says David Tyrie, head of Retirement and Personal Wealth Solutions for Bank of America Merrill Lynch. "They're blazing a new path through retirement that is more fulfilling, stimulating and financially viable for themselves and their families. Advisors cannot serve their clients if they do not understand this new role of retirement."

Andy Sieg, head of Global Wealth and Retirement Solutions for Bank of America Merrill Lynch, adds, "This study turns conventional wisdom on its head. By embracing these new realities and attitudes toward work in retirement, everyone from policy makers to employers and the financial industry will be better equipped to help people pursue their goals."

Pre-retirees are preparing for work during their retirement years before they reach retirement age, says the study. Five years before retiring, 37 percent of pre-retirees who want to work in retirement will have taken steps to prepare for their post-retirement career. This number rises to 54 percent among those within two years of retirement.

Many retirees (52 percent) who are still working took a break before beginning a second career. The average break was two and a half years, the study says.

Re-entering the workforce lasts an average of nine years and often involves a combination of work and leisure. Eighty-three percent of those working did so part time.

Another phase of retirement kicks in when working retirees decide to retire completely and focus on other priorities. Seventy-seven percent of those surveyed say they expect to face health challenges that will force them to quit working, and 61 percent say they may just tire of working.

“This study confirms that as people live longer and healthier lives, they’ll continue to find satisfaction from work even after they retire from their primary career,” says Ken Dychtwald, founder and CEO of Age Wave. “For many, work is an enriching experience that may not end at the age of 65 or even 70. Whether it’s continuing to do what they love, pursuing a long-desired interest or simply seeking to remain socially engaged, there’s a revolution brewing. People have come to realize that retirement doesn’t necessarily represent the end of an active life, but rather the beginning of new and exciting chapters.”

The new retirement realities mean the workforce is changing. In the past, growth in the workforce has been driven by younger workers. But during the last seven years, workers age 55 and older accounted for most of the workforce growth, says Merrill Lynch. Forty percent of people age 55 and older are working, a level among this age group that has not been seen since the 1960s.

At the same time, 62 percent of those working say they are doing so because it keeps them mentally active, compared with 31 percent who say they are working for the money.

Fifty-eight percent of retirees still working transitioned to a different line of work when they retired.

Respondents were asked what advice they would give to people who want to work during retirement; 76 percent say they should be open to trying something new while 73 percent say being willing to earn less to do something they truly enjoy is important.

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