

TheStreet

Nearly 75% of Our Middle-Aged Have No Plans to Retire

By Brian O'Connell | June 11, 2014

Why are so many people insisting on pushing off retirement or abandoning it altogether?

The [financial](#) services giant Merrill Lynch reports that 72% of U.S. adults 50 or older say they will work in retirement, albeit in what many say will be a "new, more flexible and fulfilling" career capacity referred to as an "antidote to aging."

They say they find life without work to be "impractical and undesirable," but that affects younger workers: If older employees can't be blasted out of their corporate perches and into retirement, Generation X and millennial [professionals](#) will find it hard to move up the career ladder.

The reasons can also be far more grim. It's becoming increasingly apparent that Americans 50 and older are viewing a lifetime of work not as a luxury, but as a necessity.

A [report last year](#) from the Pew Charitable Trusts says workers across all age groups took a huge blow from the Great Recession of 2008-09, with baby boomers losing between 25% and 28% of their [net worth](#) and Generation Xers losing 45%.

[Financial advisers](#) usually tell clients to have enough cash saved for retirement to replace at least 70% of your annual income during your working years.

Not reaching that level in retirement [savings](#) may be the biggest reason why so many boomers (and Gen Xers, when they hit 65 someday) will stay on the job instead of retire.

Indeed, in Merrill Lynch's [survey](#) of 7,000 American over 50, Work in Retirement: Myths and Motivations, "commonly held beliefs" about retirement among boomers include a longer life expectancy; elimination of most employee pensions; and financial need and the "reimagining" of what life will be after the working years.

"Those days where people hit the magic 65 and immediately [trade](#) in their briefcase for a rocking chair are long gone," says Howard Hook, a financial adviser at EKS & Associates in Princeton, N.J.

"Many do it because they want to stay busy even if their part-time job is a total departure from what they did full-time, which it often is," Hook says. "In addition, we're finding that many, even among those who would be considered affluent, look upon the [income](#) as an important supplement to their retirement funds. Relatively few, after all, can count on fat pensions these days, and many may live another 30, 35 years and so are afraid of outliving their assets."

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