



Working in retirement is becoming the new normal

By Steve Vernon | June 12, 2014

It's been well documented that more and [more people say they plan to work](#) in their retirement years. But what does that really mean? What will work in retirement look like? Will it feel like a prison sentence, or will it be a period of engagement and pursuit of personal goals?

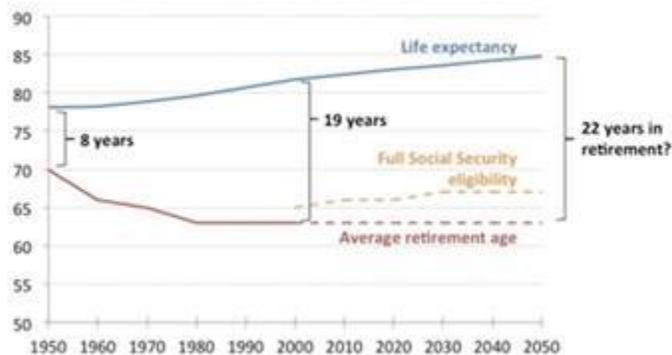
These insights and more have been documented in a recent, fascinating study, "[Work in Retirement: Myths and Motivations](#)," a collaboration between Merrill Lynch and Age Wave, founded by visionary Ken Dychtwald.

Until the beginning of the 20th century, most people just didn't retire -- they worked until the very end of their lives. Even in the 1930s, the average retirement age was well over 70, and the time spent in retirement for those who took that route averaged less than five years.

Fast-forward to today, and retirement can last for 20 years or more. For example, a [report from the Stanford Center on Longevity](#) (SCL) shows the average number of years spent in retirement by men increased from eight years in 1950 to almost 20 years today. If future trends continue, that number could soon hit 22 years.

Retirement now lasts nearly 20 years.

Retirement age and life expectancy at age 65, men



*Source: Center for Retirement Research at Boston College, 2006 and U.S. Social Security Administration, 2009.

F-1
Stanford Center on Longevity

During the 20th century -- a blink of an eye in human evolutionary terms -- industrialized nations invented retirement: a new, lengthy period of "not working" after spending decades in the workforce. In the last half of the century, most people thought of "retirement" as the end of work. But looking back before 1950, there's evidence that such a definition of retirement didn't apply to most people, and looking forward it might not apply, either.

The Merrill Lynch study shows that the majority of people today expect to work after they retire. Nearly half (47 percent) of today's retirees either say they've worked or they plan to work in retirement, and almost three-quarters (72 percent) of pre-retirees age 50 and over say they want to continue working in retirement.

The Merrill Lynch study documents four forces behind this trend:

Increasing life expectancy, as shown in the graph above from SCL

Elimination of pensions for most workers

Recent economic uncertainty

Re-envisioning later life, as new retirees look for greater engagement and fulfillment in retirement

The Merrill Lynch study also dispels four retirement myths:

Retirement means the end of work. Instead, most people now expect to work in retirement.

Retirement is a period of decline. The reality is that most people can be active and vital well into their 70s and, for many, into their 80s and beyond.

People primarily work in retirement because they need the money. While income from work is important to maintaining financial security in retirement, both pre-retirees and retirees cite "staying mentally active" as an equally or more important reason to continue working.

New career ambitions aren't just for young people. Nearly three out of five (58 percent) retirees explore new lines of work, and working retirees are three times more likely than pre-retirees to launch their own businesses.

Additional information from Merrill Lynch offered good advice for people approaching their retirement years: Start thinking about how and where you might work in your later years well before you reach retirement age. What skills and contacts will prove valuable? How can you maintain your health so you're able to continue working?

Planning ahead shouldn't seem unusual -- after all, young adults in high school start thinking about college well before their senior year.

So, is true retirement -- a period where you're no longer working -- dead as a concept? Not likely. After continuing to work during the years after they've retired from their primary job, many of us might experience a "back to the future" retirement -- a short period of frailty and dependence at the end of our lives when we're unable to work, just as it was prior to the 1950s.

We might also really be [inserting a new phase in life](#), sandwiched between a lengthy period of full-time work and before full-time retirement at the end of our lives. This period has been called

many things: reirement, life 2.0, your encore career, the third phase and so on. [Call this new period](#) of your life whatever you want, but hopefully it can be a period of independence, freedom and flexibility -- a chance to do more of what you want and less of what you don't.

So, can we dispense with retirement planning in this new world since we'll just continue working? No, because saying you plan to work in retirement is not really a plan -- it's just a hope. You'll still need to spend time learning how to best deploy your retirement resources to make sure you have enough income when you do eventually retire full-time. And you'll need to plan what you'll actually do for work during your retirement.

Original URL: <http://www.cbsnews.com/news/working-in-retirement-is-becoming-the-new-normal/>