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## **Merrill Lynch Study Finds 72 Percent of People Over the Age of 50 Want to Work in Retirement**

*Americans Find Later Life Without Work to be Impractical and Undesirable*

NEW YORK – A new landmark study from Merrill Lynch, conducted in partnership with Age Wave, finds that nearly three out of four (72 percent) pre-retirees over the age of 50 say their ideal retirement will include working – often in new, more flexible and fulfilling ways. And with already half (47 percent) of current retirees having worked or planning to work during their retirement years, it will become increasingly common for people to seek work during this stage of their lives.

Based on a nationally representative survey of more than 7,000 respondents, "[Work in Retirement: Myths and Motivations](#)" is a comprehensive study exploring and challenging commonly held beliefs about work during retirement – a phenomenon driven by longer life expectancy, the elimination of most employee pensions, financial need and the reimagining of later life. The study also offers lessons learned from more than 1,800 working retirees surveyed about their own experiences – including tips to help prepare for a successful retirement career.

"This study turns conventional wisdom on its head," said Andy Sieg, head of Global Wealth and Retirement Solutions for Bank of America Merrill Lynch. "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."

### **"The New Retirement Workscape"**

Results from the study indicate previous generations viewed retirement as a permanent end of work followed by continuous leisure. However, modern-day reality for many pre-retirees and retirees is a dynamic future that the study defines as "[The New Retirement Workscape](#)," represented by four different phases:

- Pre-retirement – Five years before retiring, 37 percent of pre-retirees who want to work in retirement will have already taken some meaningful steps to prepare for their post-retirement career; this rises to 54 percent among those within two years of retirement.
- Career intermission – Most pre-retirees do not seek to go directly from pre-retirement work to retirement work. They want a break, a sabbatical: they need

some time to relax, recharge and retool. More than half (52 percent) of working retirees say they took a break when they first retired. These career intermissions average 2.5 years.

- Reengagement –The study found that, on average, this phase lasts nine years and includes a new balance of work and leisure. Compared to those in their pre-retirement careers, people working in these “FlexCareers” are nearly five times more likely to work part-time (83 percent vs. 17 percent) and three times more likely to be self-employed (32 percent vs. 11 percent).
- Leisure – In the fourth phase of retirement, people welcome the opportunity to rest, relax, socialize, travel and focus on other priorities. Working retirees expect health challenges (77 percent) or simply not enjoying work as much (61 percent) to be the most likely causes of their stopping work permanently.

“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,” said Ken Dychtwald, Ph.D., 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.”

These realities are helping to debunk four myths about working in retirement as revealed through the study, including:

- Myth 1: Retirement means the end of work. Reality: During prior decades, workforce growth in the U.S. was driven by the influx of younger workers. During the last seven years, however, workers age 55+ accounted for virtually all workforce growth<sup>1</sup>. Today, 40 percent of people age 55+ are working<sup>2</sup> – a level among this age group not seen since the 1960s. And, according to this new study, 80 percent of working retirees say they’re doing so because they want to vs. because they have to (20 percent).
- Myth 2: Retirement is a time of decline. Reality: A new generation of working retirees is pioneering a more engaged and active retirement. Eighty-three percent of retirees agree that working in retirement is a kind of antidote to aging because it helps people stay more “youthful,” while 66 percent say that when people don’t work in retirement, their physical and mental abilities decline more rapidly.
- Myth 3: People primarily work in retirement because they need the money. Reality: While a large number of retirees are definitely working for the money to pay the bills, many more are motivated by nonfinancial reasons. When working retirees were asked what they feel is the most important reason to work, they were twice as likely to say “staying mentally active” (62 percent) as they were to say for “the money” (31 percent).
- Myth 4: New career ambitions are for young people. Reality: Nearly three out of five (58 percent) working retirees transition to a different line of work in

retirement, and are three times more likely than younger workers to be entrepreneurs – or “retirepreneurs” as the study describes. Most retirees who moved into a new line of work did so to have a more flexible (51 percent) career with more fun and less stress (43 percent).

The study also defines – for the first time – the four types of working retirees, each with distinct priorities, ambitions and reasons behind why they choose to work during retirement:

1. Driven Achievers (15 percent of working retirees) tend to be workaholics, even in retirement, and feel they are at the top of their game so why slow down.
2. Caring Contributors (33 percent) are motivated primarily by their desire to give back and make a difference, either through volunteering or working for pay.
3. Life Balancers (24 percent) have discovered a less-stressful, more flexible way of working that allows them to keep their valued social connections, while maintaining much needed income.
4. Earnest Earners (28 percent) generally need the income and have far more frustrations and regrets about working at this time in their lives.

When working retirees were asked to share their best advice for people who want to work during retirement, more than anything they said “be open to trying something new” (76 percent) and “be willing to earn less to do something you truly enjoy” (73 percent). Other tips to help prepare for a successful retirement career include keeping up with technology – with seven times as many working retirees citing the importance of this vs. trying to appear younger as a means of improving their ability to work in retirement.

“Baby boomers are once again redefining a life stage,” said 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.”

To download “Work in Retirement: Myths and Motivations,” visit [www.ml.com/retirementstudy](http://www.ml.com/retirementstudy). This report is the third in a series of in-depth studies focusing on seven life priorities, as defined through the new Merrill Lynch Clear program. Merrill Lynch Clear is a pioneering framework designed to connect people’s lives to their finances and help them live their best life in retirement. To explore additional content and resources related to these seven life priorities, visit [www.ml.com/retire](http://www.ml.com/retire).

<sup>1</sup>Bureau of Labor Statistics, 2007Q1 to 2014Q1

<sup>2</sup>Bureau of Labor Statistics, 2014; Munnell A, “What Is the Average Retirement Age?”, Boston College, 2011

## Age Wave

Age Wave is the nation's foremost thought leader on population aging and its profound business, social, healthcare, financial, workforce and cultural implications. Under the leadership of founder and CEO Dr. Ken Dychtwald, Age Wave has developed a unique understanding of the body, mind, hopes and demands of new generations of maturing consumers and workers and their expectations, attitudes, hopes, and fears regarding retirement. Since its inception in 1986, the firm has provided breakthrough research, compelling presentations, award-winning communications, education and training systems and results-driven marketing and consulting initiatives to over half the Fortune 500. For more information, please visit [www.agewave.com](http://www.agewave.com). Age Wave is not affiliated with Bank of America Corporation.

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