



## **Retirement Expert: 'Good Times Are Coming for Travel'**

By Marilee Crocker

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Baby boomers reeling from unexpected financial hits are re-thinking retirement in ways that have surprisingly positive implications for travel sellers.

It's no surprise that today's boomers are planning to work longer than earlier generations of retirement age. What's interesting is that they're not doing so just because they need the money. They also want to stay stimulated and engaged.

That's the good news for travel sellers. "Notwithstanding the jolt the travel industry felt in these past few years, good times are coming for the travel industry," predicted consultant Ken Dychtwald, Ph.D, president and CEO of Age Wave, Emeryville, Calif.

"What people are envisioning now is a retirement that's more engaged, more productive, and more high spirited, with time for new adventures," said Dychtwald, author of *With Purpose: Going From Success to Significance in Work and Life* (William Morrow, 2009).

Dychtwald draws his conclusions from a new study of pre-retirees and retirees conducted by Age Wave and SunAmerica Financial Group. The study encompassed focus groups and an April survey of 1,001 respondents, ages 55 and up, conducted by Harris Interactive for AgeWave.

*Travel Market Report* asked Dychtwald to explain how the changes in Americans' retirement values and plans will impact travel sellers.

### **Shocked into reality**

"This last decade really was a jolt. Not only did people lose some of their money and in many cases housing values, they lost some of their retirement dreams. People were frightened; they lost their sense of security.

"At same time, most people in the long scheme of things viewed this as probably a good thing. People felt there wasn't enough discipline and sensibility to the way they were thinking about their lives. Having that jolt put them on a better path."

## **Working for the satisfaction of it**

“Asked what their ideal retirement was, 77% of boomers said their ideal retirement includes work.

“When we asked people, ‘What’s the main reason you intend to work longer?’ the second answer was the money. The first was stimulation and satisfaction.”

## **Revised priorities favor travel**

“Sixty-seven percent (67%) of respondents said they want to live to 100. Asked what would be the attraction, they said, a chance to be productive, to remain engaged, watch the world evolve and garner more of the experiences they have always dreamed of.

“There’s been a lot of discussion with family members about what really matters in life – quality time with loved ones, continuing to grow personally, to encounter new experiences and to feel they’re making a contribution.

“The new currency of a successful retirement is being engaged, living a life of purpose, having quality relationships, continuing your personal growth and self-development.

“Compared to previous generations who were relatively conservative in their appetite for leisure, boomers are barreling toward their empty nest and retirement years with a much bigger sense of wonder about the world, about different peoples of the world and places to see, and about the value of time spent with people you care about in far-away places.”

## **For agents, challenges & opportunities**

“Part of the challenges are that people are a little more thoughtful, more responsible. The savings rate has hit its decade high.

“It doesn’t mean that somebody is going to stop spending money, but they’re going to think about how they’re going to spend money and is it good value.

“Let’s say I’m being a little more frugal, a little more responsible. On the other hand I’ve really grown to realize that my time with family and friends is even more important.

“For example, my wife and I and our kids are taking a family vacation in August. I fit right into the empty nester model; I’m 61. Our kids are 24 and 21; one is in Los Angeles and one in New York. That one week will be the only time we’re together this year, other than Christmas. What’s that worth to me? Everything.”

## **Weighing costs & benefits**

“That’s what a lot of people are reflecting on. It’s not just that you’re weighing what’s the cost of the hotel room. It’s how important is that leisure? How valuable is that experience? How much

of an antidote to stress and headache is fun?

“There’s a far greater appreciation for the benefits of a fantastic travel experience.”

### **Hurting financially? Not so much**

“There’s been a lot of talk about how damaged people have been financially and how that impacts their ability to travel. But people over 55 have been damaged the least.

“There’s been a job gain among people over 55. People in their 50s and 60s are a little more stable financially than 20- and 30-year-olds. They’ve got a little more saved; they may have come into an inheritance; it’s possible they’ve paid down their homes. Usually people move their financial portfolios into more cautious profiles.

“The truth is the 50-, 60- and 70-year-old populations have been far less injured by the financial ups and downs of the last decade than younger people.”

### **Ripe opportunity**

“More and more of our friends are having discussions about what’s it all for. We want to remain engaged and productive, but we want a whole lot of time off. There’s probably millions or tens of millions having that same discussion.

“Being responsible about one’s finances clearly has taken a more prominent place in people’s thinking, which it should.

“Right next to it is, ‘If I’m going to work longer, live longer and have more free time because the kids have left home, I want to have an exciting life. I want new experiences, new adventures. I want to meet new people and make sure I’ve got balance in my life.’”

*This article can be found at <http://travelmarketreport.com/retail?articleID=6207&LP=1>.*