



## Why Boomers Will Retire More Comfortably Than Their Parents

**This generation still has a lot to look forward to despite financial strains**

By [MATTHEW BANDYK](#)

Posted: September 10, 2009

On the surface, the future looks bleak for baby boomers. The Center for Economic and Policy Research projects that the median baby boomer household lost 45 percent of its net worth between 2004 and 2009. So why does retirement expert Ken Dychtwald think that boomers' retirement will still have a high quality of life? Dychtwald is a psychologist and the author of 16 books on aging, including his latest, *With Purpose: Going From Success to Significance in Work and Life*. He argues that retirement for this generation will be so different from traditional retirement that maybe we'll need a new word to describe it.

Perhaps the big reason retirement is changing is that life spans are changing. Increases in obesity and heart disease have not gotten in the way of continual increases in life expectancy over the past 100 years. In 1950, when many of the baby boomers were born, the average 65-year-old was expected to live an additional 13.9 years, according to the Centers for Disease Control. In 2006, a 65-year-old was expected to live 18.5 years longer. Dychtwald says this doesn't mean our health is improving; it's more a shift in attitude. "When our moms and dads reached their 65th or 70th birthday, they felt like they were in the ninth inning, and they were quite happy. Now, boomers look around and see 80-year-old newlyweds and 90-year-old marathon runners," he says.

Many boomers will retire later than their parents did. To some, the delay might seem like a sign of declining living standards. Retiring early has long been a mark of success. "Now we're seeing a lot of questioning of whether 20 years of nonproductive leisure is affordable or even enjoyable. Somewhere between 60 and 65 percent of retirees don't like it at all," he says, arguing that we may see a period of semiretirement for many boomers—starting a business after ending a career, for example. At the same time, Dychtwald recognizes that for many boomers, going back to work will be a necessity. "It's a generation that grew up with such abundance that unfortunately, they have not been saving for a rainy day," he says. Even without the recession, retirement would have to be delayed for many. "The combination of the absence of savings and the strain on the entitlements are going to cause this generation to have a greater struggle than any generation since the 1930s and 40s."

However, greater financial strains don't necessarily mean a lower quality of life for retirees. Dychtwald says retirees have much to look forward to. "The boomers have such enormous demographic heft that as they migrate into maturity, nearly every provider of products and services—whether it's software, vitamins, shoes, cars—is going to realize that [ Boomers ] are where the numbers are, and that's where the money is," he says.

For decades, marketers have been targeting the 18-to-35 demographic with the "get them while they're young" reasoning. But Dychtwald says the country's changing demographics

means the logic no longer holds up. "Increasingly today, we have 50-, 60-, and 70-year-olds who are trying new things. People at every age—particularly the boomers—want to try a new car, want to visit a new Web site, want to see new movies. You've got a lifetime of appetites for people who want to try new products."

What kind of products? Dychtwald sees new advancements specifically aimed at older Americans: information technology, for example, that could make it possible for nanotransmitters to monitor your state of health. Social networking is another area ripe for growth. "In terms of ability to continue learning, to share information about how to care for a parent, to connect with old friends—it has enormous potential. Somebody could come up with the idea of an Internet cemetery and make a fortune," Dychtwald says.

A host of new products will be coming down the pike, he adds, but the new consumerism won't be about crass materialism. The future for baby boomers might be more about creating better relations with loved ones than acquiring fancy gadgets. "One of the weaknesses of the previous retirement model has been that we asked very little of retirees, and the majority are bored. I believe the boomers will trigger a revolution in volunteering, in entrepreneurship. This generation will not go off to the sidelines," Dychtwald says.

Original URL: <http://www.usnews.com/money/personal-finance/retirement/articles/2009/09/10/why-boomers-will-retire-more-comfortably-than-their-parents.html>