

Financial Planning
Retirement Planning
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Re-Inventing Retirement

Throughout most of the 1900's, the basic, more linear retirement model was one of having a career with a single company, retiring at the age of 55 to 65 and then facing approximately 10 years of retirement. We have all been watching this model slowly change, however with the advent of the baby boomers approaching retirement ages we can see many more changes at our doorstep. Many of us have long questioned the goal of "full retirement". After all, we all enjoy being busy and to all of a sudden stop working on a given day is a major transition for many people to face. Men specifically have been known to have difficulty with the transition. Their work has long been the source of their ego gratification, the culmination of many years of being "the expert" in their particular field. Without definite activities to substitute for their productive careers, they often feel directionless and unproductive.

The Baby Boomers are defined as those people born between the years of 1946 and 1964. So, the youngest boomers are just about to turn 60. As we all know, the boomers have been trend-setters in various ways due to the high population percentage represented by their group. From "anti-war" and "free love" movements in the 60's to crafting their careers in new and different ways since then, the boomers continue to "do it their way" and forge new ground as they go. So, it should not be surprising to us if the baby boomers come up with new definitions of retirement.

Aging expert and Orinda, California resident, Ken Dychtwald, has confirmed this. People are living longer with actuarial life expectancies to ages 84 - 87. "Throughout all of history, people didn't age, they died." Currently we have a new situation, "two thirds of all of the people who have ever lived past age 65 in the entire history of the world are alive today," says Dychtwald. "From where I sit," he says, "this longevity revolution will have a bigger impact on people's lives, their money, than either the industrial revolution or technological revolutions of previous centuries."

Baby boomers have never envisioned the traditional linear career or retirement model for themselves. Instead, they have often worked for a period of time, re-educated themselves, enjoyed a leisure chapter, perhaps followed by a different career, another education chapter, and then perhaps the start of a new business. According to Dychtwald, 80% of baby boomers want to continue working when they reach retirement age. Fewer and fewer want to spend their later years purely at leisure, and they're driven more by a desire to stay "engaged" rather than by a craving or need for more income. The vast majority simply do not want to continue their status quo. They want to work in new ways such as rotating between work and leisure or possibly creating entirely new careers. Dychtwald feels that the baby boomers will form the cutting edge of this retirement transformation into a whole new multi-decade stage of life.

Dychtwald says, "Historically aging has been viewed by the metric of youth. If you judge women by the metric of men, it doesn't work. Nor does it work with aging." We need to view this new stage of life with a freshness that accurately reflects the buffet of options that truly exist in today's world.

Regardless of how accurate or inaccurate Dychtwald may be with his predictions, each of us still has the ability, at various ages, to apply the notion of creative life planning and non-linear retirement planning to our own lives. Many of us can consider new part-time careers during retirement years to the extent that we want that as our lifestyle. We can also consider part-time consulting in professions relating to our previous careers. There are also many new professions cropping up, many of which revolve around working with seniors in real estate, finance, health care, and many other fields. These are all great things to consider for those who want to supplement their income during later years, or just want to stay "active". For those with more than enough retirement income, or who would prefer choosing activities that are non-profit, there are also numerous philanthropic charity-oriented causes that can be undertaken. It can be our own personal commitment to ourselves that in these later years we will only choose things about which we are greatly passionate. Why not?

I do my best to encourage my clients to be creative thinkers in order to design the best life possible for themselves at all ages in order to accommodate their own wants and needs. These are creative challenges that have many potential solutions, not just one. We are fortunate to live in a world that allows for so many new ways of delivering services, providing value, and pursuing careers and interests. With the advent of the computer, the internet, and all other technology, we can sit at home and write, publish, and research information everywhere. Perhaps you want to take a look at your own life and ask yourself if you are creating the life you really want. If not, a fresh, open-minded planning process could spur the changes that could result in a more energetic, interesting and satisfying chapter in your life.

Ken Dychtwald, Ph.D. is looked at as a visionary and original thinker regarding the lifestyle, marketing and workforce implications of the "age wave". He is a psychologist, gerontologist and author of eleven books on aging-related issues. He is a sought after public speaker and appears regularly on national television and radio.

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