

What's Next in Your Life?

Baby Boomer 'Retirement' Facts

The Boomer Market

- 76.4 million baby boomers
- Leading-edge boomers turn 62 in 2008
- Another baby boomer turns 60 every eight seconds
- In 2000, 35 million Americans were 65+
- By 2030, 70 million Americans will be 65+, and will comprise 20-25% of the US population

Boomer Finances

- Average annual household earnings of boomers = \$53,000
- Average boomer predicted to retire with \$500,000-\$1,000,000 in assets
- Mature consumers possess \$7 trillion in wealth – 70% of the total wealth in the United States
- 66% of all US stockholders and 60% of annuity owners are boomers
- 66% of boomers are not confident in selecting a mutual fund
- Retirement savings for boomers dropped from 58% in 2001 to 41% in 2002
- 23% of retirees see finances as their biggest challenge
- By 2040, Social Security benefits will need to be reduced by 37% if no changes are made to the system

Employment After Retirement

- 83% of baby boomers intend to keep working after retirement
- By 2010, 33% of labor force will be 'mature' workers (age 45+)
- In 2004, only 5% of retiree income came from employment
- 56% of working 'retirees' want to work in a new profession
- 44% of retirees worked for pay at some point after retirement
- 89% returned to work to stay active, not because of financial need
- 14% of those currently working say they'll never retire
- 28% of current working retirees will continue working as long as their health permits
- Turbulent transition often accompanies retirees who leave work
- By 2010, it's estimated that US corporations will experience a 10 million shortage in talent (76.4 million boomers replaced by 66.4 million replacement workers)
- 1990's saw a 14% decrease in younger workers due to the lower birth rate
- Workforce has increased only 1.5-2.0% over the past 20 years
- 45% of US companies have special positions for mature workers
- 50% of US companies are willing to negotiate special arrangements for older workers

Expectations for Life after Retirement

- Only 22 % of those 55+ see retirement as a 'winding down' or an extended vacation
- Those surveyed shortly before retirement give their reason for retirement as 'to do other things'
- 67% of boomers surveyed say their happiness and satisfaction in retirement will come from family, friends, and fitness
- 39% of retirees find 'relations with family and friends' is most important to them compared to 19% reporting 'physical health' and 8% 'personal finances' as being most important to them
- Most powerful predictor of life satisfaction after retirement was extent of person's social network, not health or wealth
- Retirees who are socially, economically and civically engaged will live longer
- Better educated and more affluent boomers are inclined to view retirement as a time to find new challenges
- When 50-75 year-olds were surveyed, 70% saw retirement as a time to stay active and 'begin a new chapter' while 28% saw it as a time to take it easy
- Greater sense of mastery (ability to influence events), led to greater productivity in aging
- First two years after leaving a job is typically a period of marital strife

Boomer Life Expectancy

- Average baby boomer will live to be 83
- Today, a 65-year-old man has one in four chances to live to 92
- 65-year-old woman has one in four chances to live to 94
- Married couples that are 65, have one in four chance of at least one spouse living to 97
- Boomers will have 30+ years of retirement
- When Social Security was established in 1935, retirement age was established to be 65 but life expectancy was only 61

Boomer Relocation

- 59% of baby boomers plan to relocate
- 21% of the boomers plan to relocate to Florida
- 18% plan to relocate to Arizona
- 26 % plan to stay in their current home immediately after retirement, and then move
- 24% plan to move to their new location prior to retirement
- 75 % of boomers want to live in communities offering age diversity

Sources:

1. Bureau of Labor Statistics
2. Corporate Executive Board
3. Social Security Administration
4. Merrill Lynch survey
5. Hudson Institute
6. Cornell Retirement and Well-Being study
7. US Department of Census
8. Federal Reserve Board
9. Del Webb survey
10. HSBC survey
11. University of Michigan study
12. Hart study
13. MacArthur Foundation study
14. Civic Ventures study
15. Cornell University Employment and Family Careers Institute
16. Mercer Study
17. AARP Life Stage Survey