RE-ENVISIONING RETIREMENT: EXPANDING POSSIBILITIES FOR AGING ADULTS

Presented by P. Glen Smith
with Rachel Kail

www.lifescapelaw.com
• We’ve experienced a seismic demographic shift in the United States, arising from our **declining fertility rate, increasing longevity, and shrinking workforce.**

• This demographic shift **continues to develop and unfold**, and the repercussion are **historic.**

• In our brief time together today, we will examine a few of the **repercussions and possible solutions.**

• We will conclude with a **challenge** to our community, government and the private sector.
In 2020, 43 states recorded their lowest fertility rate in at least three decades.

In 2020, the national fertility rate was down 15.9% from its average over the decade ending in 2010, with 10 states experiencing reductions exceeding 20%.

Source: The Long-Term Decline in Fertility—and What It Means for State Budgets, Pew Charitable Trusts, December 5, 2022
Preliminary data show the US total fertility rate (TFR) fell to 1.76 in early 2018. The rate has remained **below replacement level since 2008**. This refers to the number needed for the population to stay the same from one generation to the next (excluding migration).

Source: US Birth Rate Drops to Historic Low, with Sharpest Drop Among Hispanic Women, Jacob Funk Kirkegaard (PIIE), PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS, December 5, 2018
A VIEW OF THE SEISMIC DEMOGRAPHIC SHIFT

1970

Shrinking Labor Pool: An Increasing Life Expectancy and The Fall in Fertility Rates

Source: https://www.census.gov/programs-surveys/popest/data/tables.html
A VIEW OF THE SEISMIC DEMOGRAPHIC SHIFT

Shrinking Labor Pool: An Increasing Life Expectancy and The Fall in Fertility Rates

Source: https://www.census.gov/programs-surveys/popest/data/tables.html
A VIEW OF THE SEISMIC DEMOGRAPHIC SHIFT

2030

Shrinking Labor Pool: An Increasing Life Expectancy and The Fall in Fertility Rates

Source: https://population.un.org/wpp/
A productive society depends on those who can work and provide for those who can’t.
"Population collapse is a major risk to the future of civilization."

- Elon Musk
There are **76.4 million baby boomers** (born between 1946-1964).

Baby boomers comprise **28% of the US population**.

About 10,000 baby boomers turn 65 each day, and the entire generation is expected to reach retirement age by 2030.

“The Boomers are like a 76-million-pound elephant moving across the lifeline, and the best way to catch it is to get in front and dig a big hole.”

- Ken Dychtwald & Robert Morison, What Retirees Want: A Holistic View of Life’s Third Age (p. 28)
LONGEVITY - THE OLDEST GENERATION IN HISTORY

• **U.S. life expectancy has declined to 76.4 years**, the shortest it’s been in nearly two decades, according to December data from the CDC.
  
  Source: Harvard University’s School of Public Health, April 13, 2023

• “The longevity revolution is the **most disruptive** trend in human history.” - Ken Dychtwald & Robert Morison, What Retirees Want: A Holistic View of Life’s Third Age (p. 8)
Americans age 65 and older were **55.7 million in 2020**. They represented 17% of the population, more than **1 in every 6 Americans**.

Older Americans increased by **15.2 million (or 38%)** since 2010, compared to an increase of 2% for the under-65 population.

There has been dramatic growth of the 85+ cohort in the United States. 

**1900 = 122,000. 2020 = 6.7 million.** This is a **5,500% increase**. 

Expectations for 2040: 14.5 million.

Source: The Administration for Community Living, Division of the Administration on Aging – 2021 PROFILE OF OLDER AMERICANS U.S. Department of Health and Human Services
OVERALL DECLINE IN THE WORKFORCE

- Labor force participation for the entire working age population declined from an annual average of 67% in 2000 to 63% in 2019.

- This partly reflects a steep drop in participation among 16 to 24-year-olds (66% to 56%) as young people increasingly pursued schooling rather than employment.

- Participation has also been declining this century among the “prime working age” population, those ages 25 to 54.
The overall decline in labor force participation would have been larger if adults 55 and older had not increased their labor force participation (from 32% in 2000 to 40% in 2019).

The Bureau of Labor Statistics projects large increases in labor force participation among older adults from 2020 to 2030, with nearly 40% of 65 to 69-year-olds being in the labor force by 2030, up from 33% in 2020.
The Current "Retirement" Landscape
TV Couch Potatoes - 4 hours 16 minutes per day/ 29.9 hours per week

• In 2021, the total average time spent watching TV per day among viewers aged 15 years old or over was 2.86 hours, up from 2019.

• **Adults aged 65 and above spent** the most time watching television at over 4 hours, whilst 15 to 19-year-olds spent the least time at 1.96 hours.

Increased Risk of Dementia

- Results of the study show that participants who watched more than 24.5 hours of TV per week—or 3.5 hours a day—saw an average of an 8 to 10% decrease in verbal memory (dementia).

Participants who watched less than 3.5 hours a day saw a 4 to 5% decrease by comparison.

Source: Watching 24.5 hours of TV Weekly Raises Older Person’s Dementia Risk: Television viewing and cognitive decline in older age: findings from the English Longitudinal Study of Ageing; By Daisy Fancourt & Andrew Steptoe, Scientific Reports volume 9, Article number: 2851 (2019)
Older Adults in Financial Distress

- 80% of pre-retirement income is needed to retire comfortably.

- The average American retiree receives $1,666 in Social Security benefits per month.

- 60% of Americans plan to rely on Social Security as their main source of income in retirement.

- Baby boomers have an average of $191,650 in mortgage debt.

- The 2020 median annual income of older persons was $26,668 or $2,222 per month ($35,808 for men and $21,245 for women).
Older Adults in Financial Distress

- The median amount of retirement savings among the Baby boomers is only $202,000 per household, which would indicate an annual income of only $8,000 for those who follow the 4% rule.

Source: Retirement Statistics for 2023: 15 Important Facts You Should Know, Legal Jobs, Marija Lazic
Older Adults in Financial Distress

• Around half of older Americans cannot afford essential expenses (and this percentage is greater for women living alone).

Source: The Hill, “Changing America”, University of Massachusetts – Boston 2022 Elder Index
Isolation - Loneliness – Depression

• 28 percent of our population over the age of 65 live by themselves. Over the next two decades, the number of single-person households with older adults will double, from 4.7 million in 2018 to an estimated 10.1 million in 2038.

Isolation - Loneliness – Depression

• More than 8 million older adults are socially isolated and at an increased risk of heart disease, depression, dementia, and hospitalization as a result.

Social isolation, or a lack of meaningful connection with others, has the same impact on mortality as smoking 15 cigarettes a day.

Substance Abuse

• Substance abuse is **rapidly increasing** among older adults through misuse of prescription drugs, illicit drugs, and alcohol.

• According to the Substance Abuse and Mental Health Services Administration (SAMHSA), **nearly 1 million adults aged 65 years or older** reported a **substance use disorder**. The survey also reveals those older adults primarily misuse alcohol and prescription opioids.
Additional statistics from the CDC’s National Center for Health Statistics (NCHS) show an alarming increase in substance use disorder-related deaths:

- **Deaths from opioids increased** among Americans aged 65 and older by **53%** in 2020 over 2019.
- **Alcohol-related deaths**, on the rise for a decade among seniors, **rose by 18%**.
- Many **causes** can contribute to people turning to drug or alcohol misuse later in life, primarily **health issues, mental health conditions like depression, isolation, loneliness and ongoing mourning** of the loss of loved ones and friends.
An Answer: A Life Plan for the Third Age
A Life Plan is a **master plan** for the Third Age that **integrates** and coordinates health, housing, finances, legal, and relationships.

Life Planning is **upstream retirement planning**.
• Between 2020 and 2030, the number of older adults will increase 27% – from 54 million to over 69 million.

Almost 15 million more!

• We’re already seeing major pressure on our hospitals and nurses. Labor disputes and resulting strikes are an indication of things to come.

Source: Dustin Whitney, How America Can Cope with Demographic Decline, February 2, 2023, https://www.dustin-whitney.com/how-america-can-cope-with-demographic-decline/?gclid=Cj0KCQjwxYOiBhC9ARIIsANiEifbFZMYAKccHI0qfEiJvZdYRiJ8UwtuumPhU1bmMfWmYYKeM5PFRlaAu1SEALw_wcB
In this way, the manufacturing industry is experiencing a double-edged problem: essentially, older workers are retiring, and not enough younger workers are filling necessary roles.

Source: Multigenerational Teams in Manufacturing: Industry Trends and Best Practices for Leveraging Age Diversity, Manufacturing Institute November 2021 (Funded by a grant from AARP)
Older adults are transforming the economy and marketplace

- The 117 million Americans over age 50 turn out to be the most powerful and affluent consumer group in history.
- Representing 35% of the population and 44% of adults, over 50 control 76% of the total net worth of U.S. households.
- 90% of all billionaires are over age 50.
- 50+ households account for $7.6 trillion in direct consumer spending or 56% of the total.
- Boomer women are more educated, skilled, and ambitious, contributing to the workforce, pursuing passions, and participating in meaningful work.

Source: Ken Dychtwald & Robert Morison, What Retirees Want: A Holistic View of Life’s Third Age (p. 14)
“We Boomer professional women are the first and largest generation of women to define themselves by our work. A retirement model is needed that provides continuity and outlets for our education, productivity, achievements, sense of community, and passion for meaningful work.”

Source: Dr. Rita Smith, Empty Nest, Empty Desk, What’s Next? How Boomer Professional Women Are Reinventing Their Retirement (2018)
RACHEL KAIL

Dementia Care Coach and Life Story Specialist with Lifescape Law & Development

Social Gerontologist
BIG BRUTUS

• The largest electric shovel in the world
• 16 stories tall (160 feet)
• Weighs 11 million pounds
• Maximum speed of .22 MPH
• Cost $6.5 million (in 1962)
“You don’t have to be a pastor the rest of your life...the Lord can change your position.”
OBSTACLES AND ROADBLOCKS
What’s in a word? What comes to mind when you think of the word “retirement”? 

**Synonyms of retirement**
- withdrawal.
- retreat.
- pullout.
- recession.
- pullback.
- disengagement.
- recoil.
- revulsion.
Our WORDS

Create Worlds
Retirement is being re-envisioned. Experts see a new trend ahead.
WHAT ELSE KEEPS US FROM AN ACTIVE THIRD AGE?

• **Low expectations:** Ageism negatively impacts opportunities and confidence.

• **Myths:** Whoever said older workers were less productive than younger ones? That myth has been busted.

• **Lack of Planning:** We don’t know what we don’t know.

• **Skills Obsolescence:** Options may be out of reach because knowledge and skills are not up-to-date.
4 RETIREE LIFESTYLES

- Ageless Explorers
- Comfortably Contents
- Live for Todays
- Worried Strugglers

CONSIDER THE WORLD OF POSSIBILITIES IN THE THIRD AGE

- Work/ Mentorships
- An Entrepreneurial Agenda
- Volunteerism (often Local)
- Voluntourism (often International)
- Caregiving (of Old or Young)
- Grandparenting
- Grandtraveling
- Social Cause Work
- Relationship Building (with Community, Family, or Friends)
- Lifelong Learning
- Creative Pursuits
- Travel/Adventure
MINDSETS

(n.) fixed mental attitudes or inclinations informed by experience, education, and prejudice
“Self-Fulfilling Prophecy is in the beginning, a false definition of the situation evoking a new behavior, which makes the originally false conception come true.”

– Robert K. Merton from *Social Theory and Social Structure*
Does self-fulfilling prophecy affect the aging experience of our old? MOST DEFINITELY.
“Participants with the most-positive views of aging were living, on average, seven and a half years longer than those with the most-negative views.”
THE POWER OF “POSITIVE AGE BELIEFS”

We need to reframe our mindset about aging.

Increase AWARENESS.

Place BLAME where it belongs.

CHALLENGE negative age beliefs.
So, sure.
Self-fulfilling prophecy affects the aging experience of our old.
We should take that and run with it...for the good.
Virginia Bell

made the decision to go back to school when she was 60 years old (to get her Masters of Social Work) and went on to co-author six books with David Troxel in the last forty years, forever shaping dementia care domestically and internationally.

Virginia opened one of the first dementia specific adult day programs (Best Friends Adult Day Center) decades ago - located in the Second Presbyterian Church in downtown Lexington, KY.

In 2022, the University of Kentucky awarded her an honorary doctorate for her groundbreaking work.

On April 8, 2023, Virginia died at 100 years old.
Our elders are one of our greatest untapped natural resources.
Grandmothers of the World, Unite

April 16, 2023

By Mary Pipher

Dr. Pipher is a clinical psychologist and the author, most recently, of “A Life in Light: Meditations on Impermanence.”
If we accept the wisdom – and more recently the scientific evidence – that our relationships really are among our most valuable tools for sustaining health and happiness, then choosing to invest time and energy in them becomes vitally important. And an investment in our social fitness isn’t only an investment in our lives as they are now. It is an investment that will affect everything about how we live in the future.”
“It will never rain roses: when we want to have more roses, we must plant more roses.”

— George Eliot
RESOURCES IN THE THIRD AGE

- Modern Elder Academy (a lifelong learning center)
- AARP – Life Reimagined
- SPARK Flossie Pack Center for Lifelong Learning (UMKC)
- Osher Lifelong Learning Institute @ KU
- SeniorCorps – AmeriCorps Seniors with the Retired Senior Volunteer Program, Foster Grandparent Program and Senior Companion Program
- Encore Network (Encore.org)
- KC or Northland’s Shepherd’s Centers
- Second Acts (stories for inspiration)
- The Senior Community Service Employment Program (SCSEP)
- Center for Workforce Inclusion (formerly Senior Service America)
- Aging Mastery Program (National Council on Aging)
- American Express Business Blueprint (for helping entrepreneurs with small business)
- Universities like Harvard, Stanford, and Notre Dame offering lifelong learning programs
- Road Scholar (once Elder Hostels)
- Council for Adult and Experiential Learning
- Milken Institute Center for the Future of Aging
- Libraries, Museums
WORKING IN RETIREMENT

The New Normal
WE ARE AT A TIPPING POINT.

70% of Baby Boomer workers expect to work past age 65, are already working in their Third Age, or do not plan to retire.
A majority of people will continue to work for a while after they retire, and it will become increasingly unusual for retirees not to work.

However, retirees want to work differently – part time, in less stressful and more engaging roles, often in new occupations, often for themselves, and for a few years or as long as they like.
In prior decades, workforce growth has been driven by the influx of young workers. Last decade, however, older workers have accounted for virtually all workforce growth. And those age 65+ continue to be the fastest growing segment of the labor force.
<table>
<thead>
<tr>
<th>Year</th>
<th>Participation Rate</th>
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<tbody>
<tr>
<td>1970</td>
<td>17%</td>
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<tr>
<td>1980</td>
<td>13%</td>
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<td>1990</td>
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<td>2010</td>
<td>16%</td>
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Source: U.S. Bureau of Labor Statistics
Employers know that workers expect to work beyond age 65.

- 66% of employers agree with the statement, “Many employees at my company expect to work past age 65 or do not plan to retire,” and they are correct. Indeed, many workers expect to work after age 65 or do not plan to retire (52%).
Employees plan to work in retirement.

- 56% of workers plan to continue working in retirement, including 17% who plan to work full-time and 39% who plan to work part-time.
Many workers envision a phased transition into retirement.

- 45% of workers are envisioning a phased transition by reducing work hours (28 percent) or working in a different capacity that is less demanding and/or brings greater personal satisfaction (17 percent).
- 24% envision they will continue working as long as possible until they cannot work anymore.
- Only 1 in 5 workers (20%) plan to immediately stop working and fully retire.
Most employers do not offer formal phased retirement programs.

- 70% of employers do not offer a formal phased retirement program for workers who want to transition into retirement, including only 30% that plan to implement a program in the future and 40 percent that do not have plans to do so.

- However, large (49%) and medium companies (45%) are more likely to offer such programs than small companies (20%).

How can older adults put their wisdom to work?
Take a Career Aptitude Test - How Do I Know What I’d Be Good At

- A career aptitude test is a test you take to learn more about yourself and to **discover what careers** you have the potential to excel in.
- Career aptitude tests are **usually taken online**, in the form of a detailed quiz that covers various questions.
- The goal of these questions is to **uncover** your personality, values, skills, motivations, and preferences, and **match** them with the most-fitting professional fields and careers paths for you.

Source: 10 Best Career Aptitude Tests in 2023
https://novoresume.com/career-blog/career-aptitude-test
PUT WISDOM TO WORK

Get a Life/Career/Retirement Coach
Upskilling to Avoid Skill Slippage

• Retirees find the **biggest issue to reentry is skills slippage**.

• **40% of Boomers** say that they are **keeping their skills up to date** to ensure they are able to continue to work in retirement if needed.

• **Upskilling**—the **process of acquiring new competencies**, like digital skills—offers manufacturers the opportunity to strengthen their existing human capital, but it may also function as a tool for retaining workers of all ages. Upskilling can promote employee engagement and in turn contribute positively to tenure, company loyalty and productivity.

• **More than half (52%) of surveyed companies** use training and development opportunities to recruit and retain older workers.
Phased Retirement

- **Cold Turkey vs. Scaling Back**: Offer reduced responsibilities and flexible role and work arrangements as employees approach retirement.
- **Take less to do something** you truly enjoy.
Retiree Return Programs

- After a *retirement break* (for example 6 months), retiree returns part-time up to, for example, 500 hours per year, serving as mentors, training instructors, etc.
Retiree Networks

- Communities of retirees that can serve as a channel for a variety of activities, including rehiring retirees, collecting business and employee referrals, and enlisting retirees to participate in community programs.
Career Reinvention (Starting New Careers)

- This involves programs either in or out of a company that rejuvenate and reengage retirees with a “2nd Act Career” – exploring new roles, locations, careers, new departments, and cross-pollination.
PUT WISDOM TO WORK

Start a New Business

• Private Funding
• Financial Institution
• ROBS – 401K Business Financing (Use Your Own 401/IRA) - Rollover as business startup plan
Multigenerational Teams

• This is defined as a collaborative working group made up of employees from different generations.

• The benefits of multigenerational teams include increased diversity of thought; boosted creativity and productivity; and greater mentoring and learning opportunities.

Source: Multigenerational Teams in Manufacturing: Industry Trends and Best Practices for Leveraging Age Diversity, November 2021 (Funded by a grant from AARP) Manufacturing Institute
It’s hard to finance a 30-year retirement on a 40-year career.

**RETIREMENT IDEALLY INCLUDES SOME WORK.**

• **Work satisfies many needs** – psychological, social, and professional as well as financial.

• Working in later years is good for physical and mental health, and older workers are more **satisfied with work** and life than their younger counterparts.

• **Longer lives mean lengthier retirements** and potential difficulty funding them.
RETIREMENT IDEALLY INCLUDES SOME WORK.

- Is it practical, affordable, or desirable to do nothing (not work) for 20-30 years?

- 4 in 10 working retirees say they can’t imagine not working. Source: TD Ameritrade, Unretirement Survey, 21019; Age Way/Merrill Lynch, Work in Retirement.

- Retirees who work feel more stimulated, connected to others, and proud of their accomplishment.

- Retirees who work can achieve satisfying work-leisure balance.
WORKING HAS ITS BENEFITS.

Retirees know that staying active and engaged is healthy.

- **8 in 10 agree that work** helps people stay more youthful.
- **66% feel that when** people don’t work, their physical, and mental abilities **decline faster**.
- A study of 83K older adults across 15 years found that **people who worked past age 65 were about 3X more likely to report being in good health** and about **half as likely** to have serious health problems, such as cancer or heart disease.

• If you are an Employer/Business – **Retool** and employ older adults, offer flexibility, mentorship, re-training, and education.

• If you are Community/Government Agencies – It’s **not just about** the frail and the poor. Focus on supporting the transition and Life Plan for the Third Age.

• **Get a Plan** - If you’re approaching the Third Age or in the midst of the Third Age – get a *Life Plan*. 
“The Boomers are like a 76-million-pound elephant moving across the lifeline, and the best way to catch it is to get in front and dig a big hole.”

- Ken Dychtwald & Robert Morison, What Retirees Want: A Holistic View of Life’s Third Age (p. 28)
CREATING ONRAMPS, ORIENTATION PROGRAMS AND TRYOUTS FOR RETIREES, CAREGIVERS & AGING ADULTS

Presented by P. Glen Smith, Rachel Kail, and Kim Siegel

Thank you for your time!