

Retirement Options Newsletter Featured Article

BOOM-ER-ANG

by Peggy Greenwood, M.A.

The generation that molded and shaped society simply by moving through it en masse has the full attention of the media and the marketplace as its members assume the status of society elder. A poignant melancholy underlies much of the media and advertising blitz surrounding the devolution of the Boomers. Doomsayer or groupie, the common media theme is that the retirement of this generation will spawn a social and economic revolution that will match in volume and drama the multifarious reforms of the '60s.

The Boom

Affectionately tagged Baby-Boomers, their births spoke eloquently of the promise of peace and prosperity after decades of war and depression. Eventually 76 million strong in the U.S., the cherished, loved, and doted-on Boomers represented the beginning of a new world that thousands had died to create. The Boom was an optimism affecting all the nations of the industrial world in various degrees. From Shanghai to San Francisco to Tokyo to Tel Aviv, it was a global celebration of life and hope that man's inhumanity to man was finally overcome. Generational dates are often fluid, but the extreme time edges of the Boomers are 1943 and 1960. Expectations for this generation were so high that in 1966 Time magazine gave the Baby Boom Generation the Man of the Year award.

This generation, cushioned by affluence and the welfare state, took for granted the expansion of material wealth and economic growth that characterized the post-war years. Their destiny--to bring into existence the next stage of human life--unfolded as slowly and innocently as the opening of a rose bud.

A phenomenon of numbers, the Boomers have been analyzed, quantified, vilified and immortalized. Unprecedented attention has been given to every life stage of the Baby Boomer generation. Giving a unified identity to any generational group is largely an over-simplification of reality. The economically poor Boomer or the Boomer of color will not recognize themselves through the popularized stages of suburban-kid-turned-college-radical-turned-spendthrift-yuppie. Yet all share certain formative experiences and therefore certain variables of the group identity.

The Boomers

Described by Ken Wilbur in *Boomeritis* as the generation everyone loves to hate, Boomers are frequently characterized as endlessly self-reflective. This is the generation that made multi-millionaires of self-help authors, spiritual writers, health and wellness gurus, motivational speakers and manufacturers of natural commodities including vitamins, foods and fabrics.

This is also the generation who spearheaded the explosive revolutions of the 60s and 70s that have been the change drivers of the world: peace, civil rights, ecological concerns, feminism and multi-cultural diversity. Together, these confrontational movements thrust humanity into post-modernism bringing empowerment and an opening of opportunity to millions.

Boomers have popularized every phase of life as they went through it. Until 1997, becoming 50 years of age was a black-balloon, over-the-hill occurrence. Not for the Boomers. A fiftieth birthday became a trendy event greeted with humor and enthusiasm and associated with life-lengthening diets, exercise regimes and herbal magic, e.g. The Red Hat Society. A modern exploration for the Fountain of Youth has emerged as the Boomers redesign the images of maturation. They have, or at least spend the money to try and capture the illusion of eternal youth. Madison Avenue is poised to support their vanities.

The '70s gave birth to the word "workaholic" as Boomers lay claim to the business world. During the Boomer tenure the average time spent at work increased one full month. Boomers tend to be driven, service-oriented and willing to go the extra mile. Just as a military victory identified their parents' contribution to history, success in the world of work exonerates the Boomer's existence. Work is important to them. It has been their identity.

Although they will dominate the workplace until 2015, Boomers, in general, have re-evaluated work in terms of life balance. Many have begun to cut back on work hours to participate more fully in the lives of their families and friends.

The Boomerang

Retirement for the Boomers? No way. For the Boomer Generation reirement has replaced the long-time trend toward early retirement. Well over 80% continue to work beyond the traditional age of retirement: 50% stay on at their career job, the rest work bridge jobs. Twenty-five percent of those in bridge jobs are self-employed. (U.S. Bureau of Labor Statistics)

Why are the Boomers making such a drastic departure from the retirement tradition? They want to, they have to and they can.

They want to

In a 2003 AARP study, participants stated a preference to continue working to stay mentally active (83%), to stay physically active (80%), to remain productive or useful (76%).

The have to

According to the U.S. Administration on Aging, in 2002 the median income for persons 65 and over was \$14,152.00. The same year the U.S. Bureau of the Census reported that half of baby-boomer households have a total net worth of just \$10,000.00. Many haven't saved enough to sustain the high standard of living to which they are accustomed. It is the conclusion of the financial industry that most Boomers would have to triple their current savings to not have a dramatic decline in their standard of living. And Boomers have no intention of living their senior years with less than they lived throughout their adult lives.

Without reform the costs of just five federal programs--Social Security, Medicare, Medicaid and federal civilian and military pensions--will exceed total federal revenues by 2030 (Kerry-Danforth Commission on Entitlement and Tax Reform).

The Boomers are powerful, politically active and cohesive. Routinely, 77% vote. As a political force Boomers have politicians quaking in the hallowed halls of Congress. Without a doubt, Boomers will lead the reforms required to save their children from a guaranteed impoverishment caused by federal fiscal mismanagement.

They can

Public policy changes in the late 20th century have made it possible to extend one's work life:

- * The U.S. Congress legally removed a mandatory retirement age.
- * Social Security work disincentives were decreased.
- * The normal retirement age for Social Security is increasing.

The current re-employment trend for an unemployed 60-year-old is that it takes eight weeks longer to find a new job than it does a 30-year-old. And the jobs older workers accept often pay less than their previous ones and those offered to younger workers. Studies show that workers in their mid-60s earn at least 10% less than those in their mid-50s with similar qualifications and work hours (Age Discrimination in Wages and Displaced Older Men, David Shapiro).

The relocation industry is affected by this situation as it experiences the reduction in transfers of its most experienced talent. These workers often turn down the opportunity citing family reasons. The family reason is the mature, dual-career spouse unwilling to undertake a potentially hostile and discriminatory job search in a strange location.

This situation, however, is about to change. What looks like a very bleak future for the industrialized world is one more window of opportunity for the Boomers.

Sustaining a generation 76-million strong meant an economic expansion unanticipated then and it means a severe talent contraction unprepared for today. It is predicted that labor shortages of over 10 million people caused in part by the retirement of the Boomers will slow economic growth after 2010 and lead to recession. For Paul Hatz, former Director of Employee Relations and Executive Development with Peabody Energy Company, the "subject is up on the radar screen but no programs or policies have been put into place." (Paul Hatz, Peabody Energy Company, St. Louis, MO)

The more than 80% of Boomers with the desire and an adaptable skill set will find work in the modern market to fit their needs. Dr. Kevin Fleming, an Executive Coach for corporations and organizations nationwide, predicts "a significant ROI from companies that invest in pre-retirement coaching." Fleming describes a dual benefit to the corporations launching flexible retirement programs. "Through coaching, soon-to-be retirees can experience a sense of investment in themselves as proven assets." Fleming states that "retained in an appropriate capacity, coached pre-retirees generate increased revenues through a heightened functionality." (Kevin J. Fleming, PhD, Executive Coach and Performance Enhancement Consultant, Tulsa, OK indyfleming@aol.com)

Forward-looking corporations will anticipate this near future and put in place the career management and retirement programs that increase the retention of their most experienced workers. According to Hatz, "Peabody Energy has for some time returned retirees to the workforce part time." "A challenge at Peabody Energy," Hatz explained, "is that because the industry has been shrinking, very few skilled workers have been added to the workforce." "Pre-retirement coaching," continues Dr. Fleming, "can also save a company thousands of dollars in hiring fees with replacement candidates who would have less predictability and certainty--no matter how reliable the pre-hiring assessment tools."

Whether doomsayer or groupie opens the dialogue, a common contemporary media theme is that the retirement of this generation will spawn a social and economic revolution that will match in volume and drama the multifarious reforms of the 60s. And just as their earlier social movements brought empowerment to millions, may this thrust toward change include a return to elders the status and respect that belonged to them for most of human history. Let the revolution demonstrate that among the aging Boomers are fascinating wise men and women who have an abundance of resources that could help nourish America.

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