



# Facing Retirement— Now What?

**Now is the time for baby boomers to plan their career and life strategies.**

By Beverly Edwards and Gale Gibbons

If you were born between 1946 and 1964, you're a baby boomer, and you may now be dealing with situations and decisions that are different from anything you've previously faced. You could be thinking about retirement or at least changing the way you work to provide more flexibility or fulfillment. You may also be concerned about caring for an elderly relative or managing your assets.

Regardless of what stage you've reached in your career, it's time to start planning for the next stage of your life.

## **Finances and health**

Whether you decide to retire, work part-time, or become an entrepreneur, managing your retirement assets is one of your most significant challenges. For most people, it's a complex topic that requires thoughtful decisions. Often, it's easy to take a Scarlett O'Hara approach and say, "I'll think about it tomorrow."

However, that approach can be very costly. Simply stated, you want to make sure that you don't run out of money before you die. You need to prepare for

the likely scenario of living more than 30 years after retiring. In the past, retirees were encouraged to plan for 20 or more years of spending their assets, but financial planning professionals today have revised that estimate as healthcare and other advances increase life spans.

If you retire at age 65, you can expect to spend 22 percent of your life in retirement. An American who reaches the age of 65 has an additional average life expectancy of 18 years. And because this is the average expectancy, that means

half of those who reach 65 can expect to live longer than 18 years.

There are several caveats to keep in mind as you assess your financial future.

To live comfortably after you retire, you will need approximately 70 to 80 percent of what you currently spend. Healthcare can be an unanticipated expense, so you need to plan accordingly. For example, you may decide that you want to invest in long-term care insurance. Understanding your social security benefits and options is very important. The Social Security Administration's website is a great source of information.

More important than wealth, but less controllable, is your health. Experts at the University of Pennsylvania's Institute on Aging confirm what many have suspected: Genetics play a huge role in health and the aging process, and there are specific steps you can take to mitigate the effects of aging.

Research shows that seniors who are both physically and mentally active are healthier. However, years of bad habits cannot be reversed in a day. Now is the time to develop good habits such as eating a proper diet and exercising regularly—for your body and your brain. And if you're still in the workforce, don't hesitate to take advantage of the benefits offered by your workplace or professional organizations, such as smoking cessation programs and gym membership discounts.

### **Boomers in the workforce**

Armed with complete knowledge of your financial situation, you now have choices regarding how you want to spend your time. Some baby boomers, despite being eligible for retirement, will want to continue working. Others may need to work for financial reasons. Success in the workplace may require some solid preparation as you deal with an increasingly younger workforce as well as explosive technological growth.

If you remain in the workforce, the most difficult moment might be when you interview with someone young enough to be your child. It's important to maintain a professional attitude. Don't act overconfident or imply that

you have all the answers—show that you are open to new experiences and new ways of doing things.

While discrimination based on age is illegal, interviewers can legitimately look for proof that any candidate for a job has current skills and the ability to grow and learn on the job. For boomers, honest self-assessment is key. Identify your main strengths and contributions, including your technology skills.

If you have difficulty with basics such as email and web browsers, you need to upgrade your skill sets if you're seeking a new job. While you may object to some uses of technology in public as inappropriate, a job interview is not the time to express your disapproval. If you lack confidence with technology, ask for help. For instance, community libraries provide free training and computer access to help you apply for jobs online.

### **Boomers as entrepreneurs**

Have you ever heard colleagues say, "When I retire, I'm going to work for myself?" It sounds like a wonderful idea, and many people have gone on to start their own successful businesses after retirement. Perhaps you want to focus your energies on the passions and hobbies you never had enough time to explore while in the workforce. You may be able to convert a hobby or affinity into a business, but it takes hard work.

Fortunately, there are lots of resources available for entrepreneurs. There is a national network of Small Business Development Centers, which offer low cost programs on topics such as writing a business plan and consulting services for small business owners. Locally based resources, such as the Women's Opportunity Resources Center in Philadelphia, are also available, and your local public library will usually be a great resource for many of your needs.

In addition, opportunities are available for you to test drive your inclinations before you invest your savings. For example, one week interning at a bed and breakfast could protect you from an expensive realization that the role of an innkeeper is vastly different from the role of a guest. Volunteering or taking a

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part-time job is a low-risk way to gather information and experience.

### **Social and volunteer activities**

Baby boomers embody the term "workaholic." They have been defined by their jobs and take pride in their work ethic. So what happens when they're no longer in the workforce? More than 7,000 boomers turn 60 each day and many decide to retire from the workplace entirely. The first few months of freedom from meetings and schedules can be incredibly liberating. However, many retirees report that they soon ask themselves, What will I do with all this time?

The answer is as specific and unique as each individual. A simple way to start is to ask yourself these three questions:

- What do I enjoy doing now?
- What would I like to do if I had more time?
- What would I like to spend less time doing?

You may want to think about activities that give you the opportunity to interact with others and those you pursue alone. Some solitary activities like reading can be transformed into a more interactive activity simply by joining a book discussion group or volunteering to read aloud to those in need. Many of us found our ultimate careers after various iterations, so don't feel like you have to find the ultimate retirement plan in your first year out of the workplace. Our lives in retirement will change with our circumstances, as our lives always have.

## Legal and healthcare decisions

All boomers need to devote some time and energy to get their paperwork in order. Some may need to do this for aging parents, as well as themselves.

Important legal documents include wills, trusts, living wills, powers of attorney, and advance directives. These topics may be uncomfortable to consider, but resolving these issues now can save you from greater anxiety in the future.

If you haven't gone to law school, the list of documents could appear overwhelming, but it's really pretty simple. A will guarantees that your wishes regarding the disposition of your property and other assets are carried out. A living will and healthcare power of attorney detail how you want your healthcare needs to be addressed. Designating a trusted individual with durable power of attorney gives that person the ability to act while you are alive.

There are many products available online to help you develop these documents. Keep in mind, however, that state regulations vary, and that some documents may not apply in all states.

This could be the time when you want to invest in legal advice and pay an expert to pull together a packet of documents that covers you and your loved ones for every possible contingency. If you are planning on hiring an attorney to prepare your will, these additional documents can be obtained at a small additional charge. You can also use this as an opportunity to obtain more detailed information about estate planning, taxes, and charitable giving.

There are more than 78 million baby boomers in the United States between the ages of 43 and 61 years. While every boomer's situation is unique, they all share a desire for a happy, healthy, and fulfilling life.

Regardless of where you are on the boomer continuum, now is the time to invest your energy and resources in yourself and your future.

**Beverly Edwards** is executive director of human resources at the University of Pennsylvania; [bedwards@hr.upenn.edu](mailto:bedwards@hr.upenn.edu).  
**Gale Gibbons** is a manager and career coach of learning and development at University of Pennsylvania's human resources department; [gibbons@hr.upenn.edu](mailto:gibbons@hr.upenn.edu).

Send submissions to Development, *T+D*, 1640 King Street, Box 1443, Alexandria, VA 22313-2043; [jjarventaus@gastd.org](mailto:jjarventaus@gastd.org).

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