



# THE SILVER TSUNAMI: BOOMERS NAVIGATING RETIREMENT

Brand Strategy & Research

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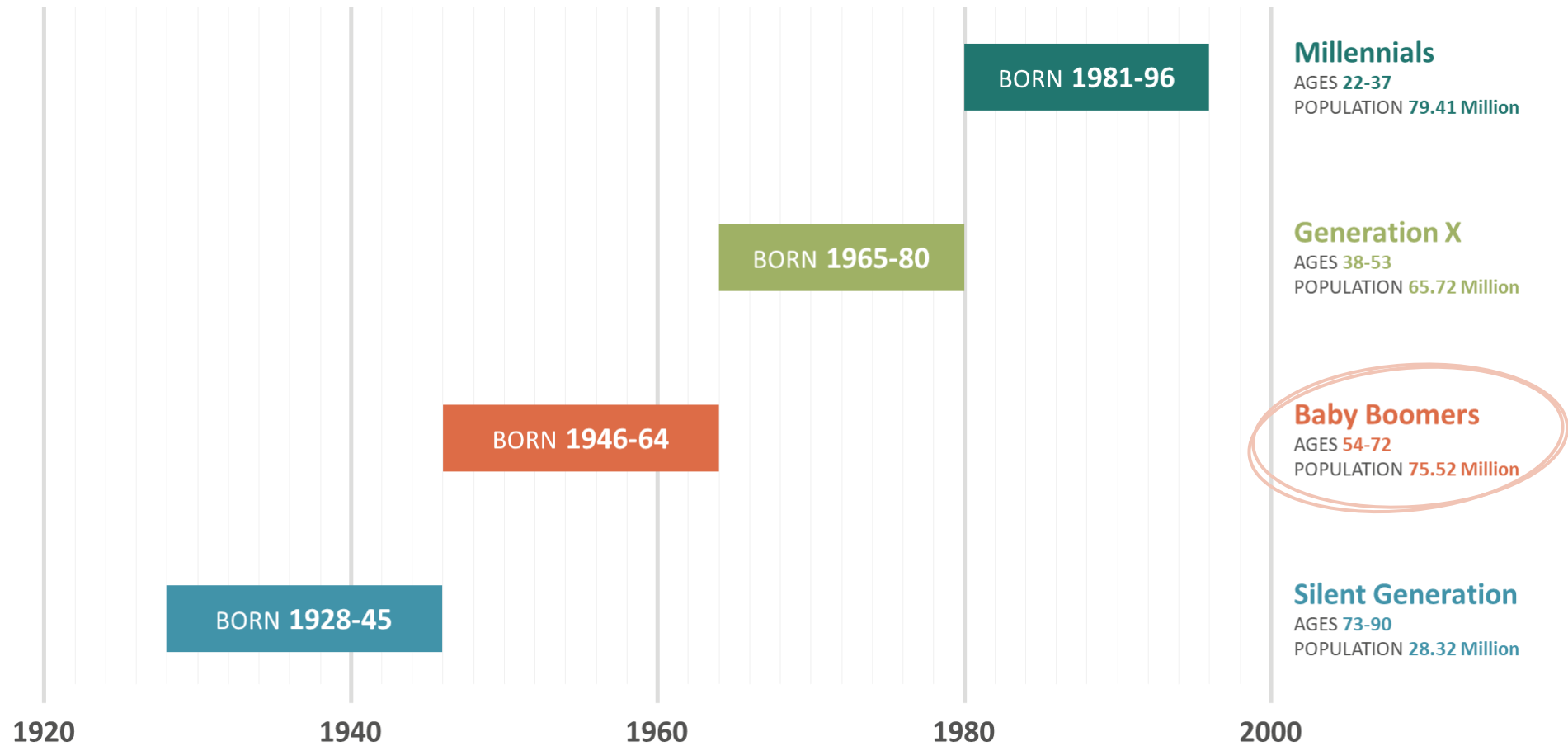
# BABY BOOMERS 101

*Who is a Baby Boomer and why is this cohort making 'waves'?*



# WHO IS CONSIDERED A BABY BOOMER?

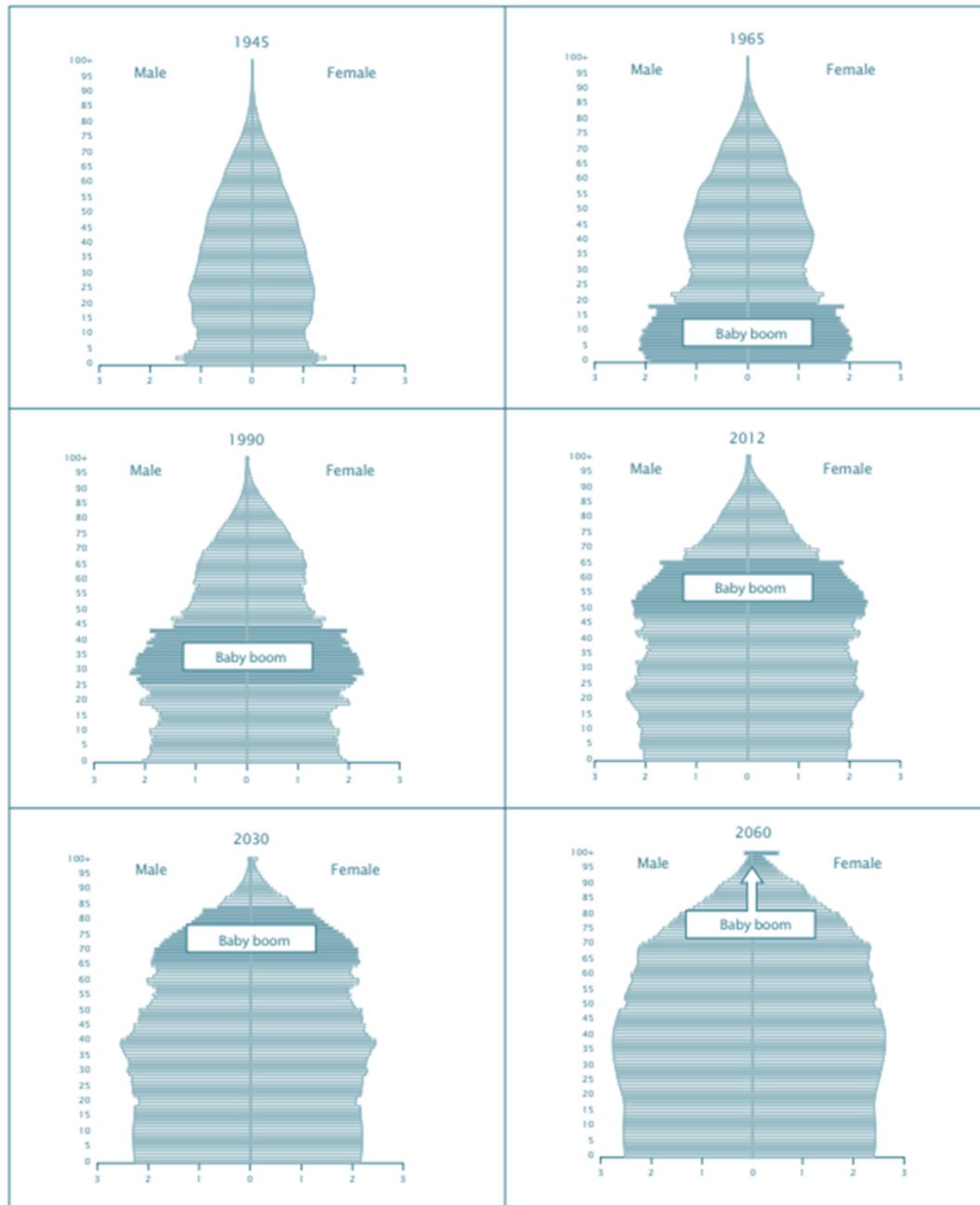
The Baby Boomer cohort consists of the **children born from 1946 to 1964** during the post-WWII baby boom in the U.S.



# HOW ARE BOOMERS MAKING WAVES?

The 76 million Baby Boomers constitute a steep increase in the percentage of seniors within the national population.

This phenomenon has shaped a large 'wave' in the population that has been appropriately named the 'Silver Tsunami'.



*S I N C E 2 0 1 1 ...*

**BABY BOOMERS ARE AGING INTO  
RETIRED YEARS AT A RATE OF  
10,000 INDIVIDUALS A DAY**

*... AND WILL CONTINUE TO UNTIL 2029*

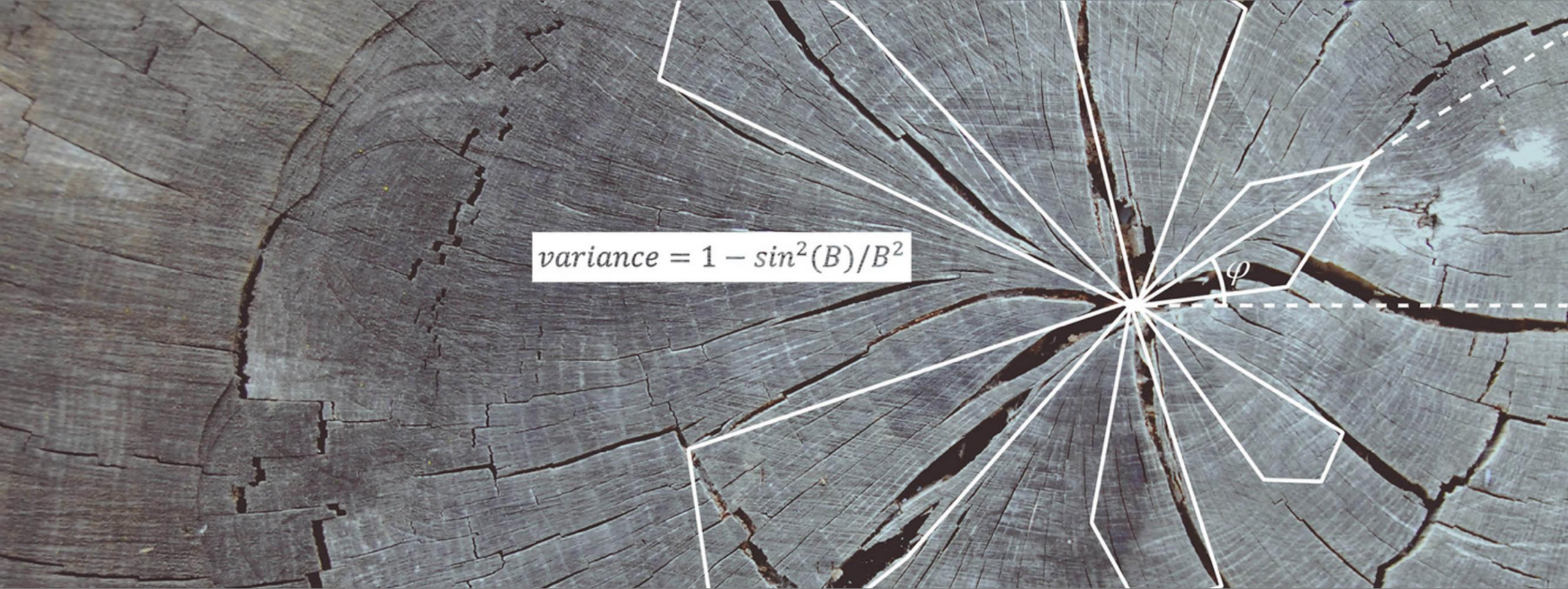
# THE 'SILVER TSUNAMI' IS APPROACHING RETIREMENT

The significant number of Baby Boomers aging into retirement years is **bound to strain, and potentially overwhelm, governmental subsidy programs for older Americans** such as Social Security and Medicare.

These subsidy programs, as well as other industries that cater to older consumers, may have to adjust their operations and approach to better suit the needs of the growing mature population.







$$\text{variance} = 1 - \sin^2(B)/B^2$$

# RETIREMENT BEHAVIORS

*What are Baby Boomers doing once reaching retirement age?*



# BOOMERS ARE REDEFINING RETIREMENT

According to an Associated Press-NORC Center for Public Affairs Research Study of individuals who are currently working and not yet retired:

- **Four out of five (82%)** said it is "likely" or "very likely" that they **will do some work** for pay during retirement.
- **Approximately half (47%)** said they plan to **retire later than they expected** when they were age 40 due to:
  - Financial need
  - Health issues
  - Need for employment benefits

*The New Yorker Collection 2016 Barbara Smaller from cartoonbank.com  
'Survey Finds Americans Have Redefined Retirement' by APA [2014]*



*"Have you given much thought to what kind  
of job you want after you retire?"*

# RETIREMENT DOESN'T EXIST IN ONLY ONE FLAVOR

Increased longevity, coupled with governmental pressures that push better Social Security & Medicare benefits to older workers, is influencing many Boomers to prolong their working years and delay full retirement.

Boomers now face a spectrum of employment options when they reach retirement age:



## CONTINUED EMPLOYMENT

An individual *continues to work in the same capacity and position as they did before reaching retirement age*. They may consider remaining employed through the typical retirement years without intentions of ever retiring - partially or fully.



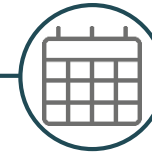
## LIMITED EMPLOYMENT

Where an individual *continues to work for their original employer, but begins the retirement transition by limiting the capacity in which they work*, either by shortening their work week or stepping down from a high-responsibility position.



## PARTIAL RETIREMENT

A relatively recent trend where an individual *retires from their main job, but continues to work in some capacity at a NEW job*. Often referred to as 'bridge employment' or 'encore work', the trend first appeared in 2005 when Boomers began turning age 60.

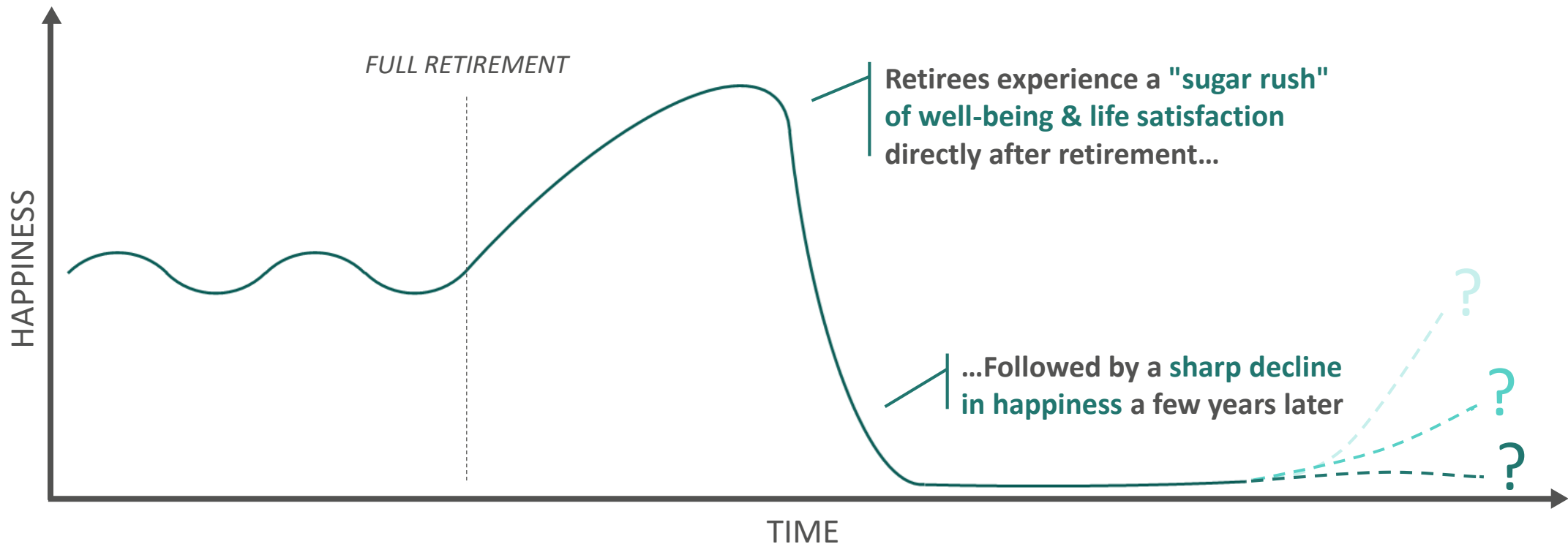


## FULL RETIREMENT

The traditional view of retirement where an individual makes *a direct transition from working full-time to not working at all*.

# 'FULL' RETIREES EXPERIENCE BOTH PEAKS & VALLEYS

A 2012 study in the Journal of Happiness Studies from the University of California, Berkeley found:

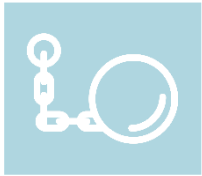


The study found that **most retirees experienced the rush-crash pattern regardless of the age they retired.**



# RETIREMENT VALLEYS STEM FROM SELF & OTHERS

Post-Retirement depression may arise from both internal & external sources such as:



## FEELING OBLIGATED TO OTHERS' EXPECTATIONS

'When we are **doing things that are 'shoulds' or things that we feel like we have to do** and are obligatory.'



## POSSESSING TYPE-A TENDENCIES

'Certain **personality characteristics, such as being competitive and assertive**, are attributes that make people successful in their work life, but often **work against them in retirement.**'



## FOCUSING ON FAMILY, RATHER THAN SELF

'Feeling obligated in one's **post-retirement relationships** can have a deleterious effect, **such as feeling pressured by family to plan their retirement based on the extended family's needs**, rather than their own.'



## TYING CAREER TO SELF-IDENTITY

'**Many people are what they do**, and it defines them. If all a person has done in life is work, and has no other interests, **then without work, what is there?**'



# SHIFTING THE RETIRED MINDSET

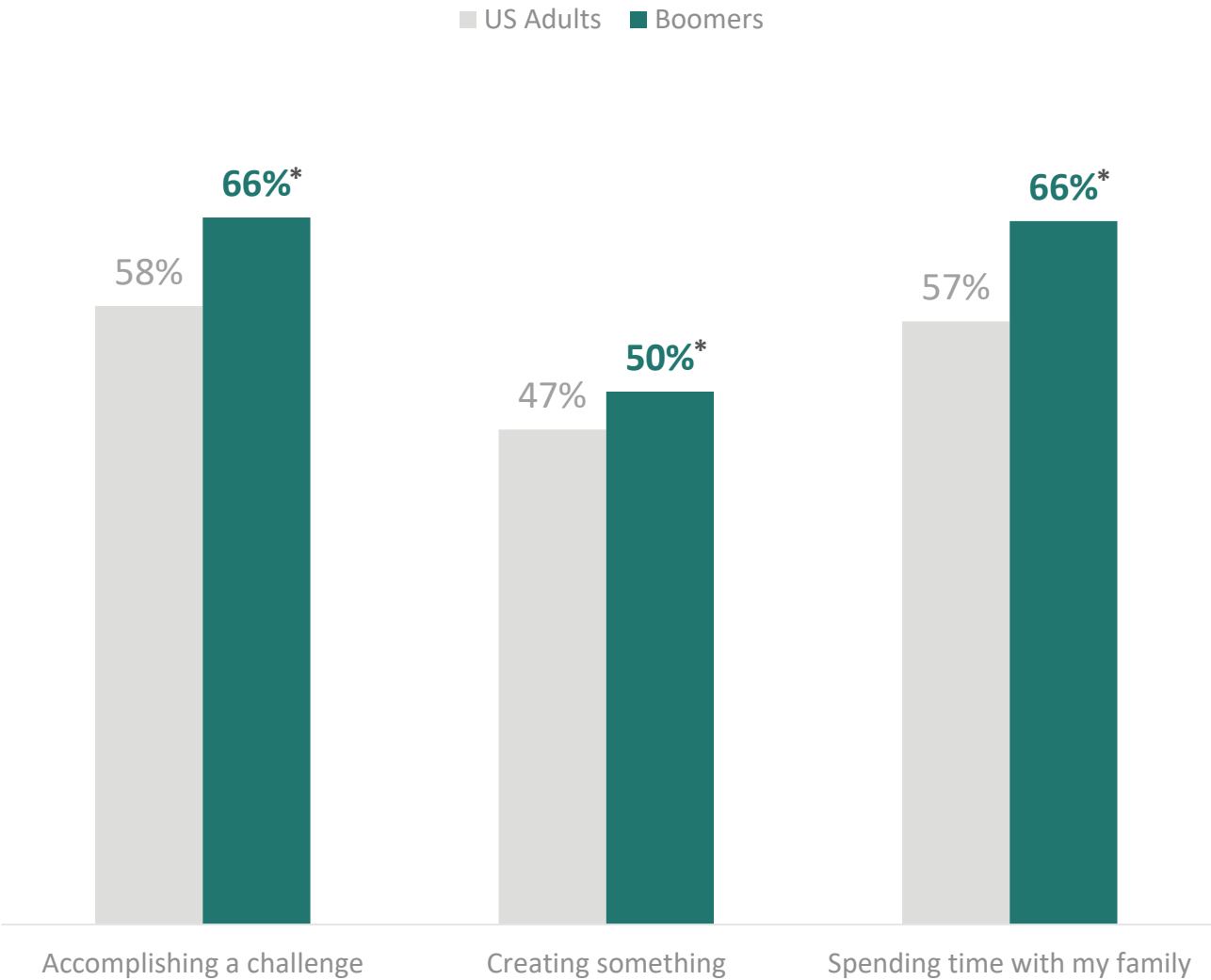
*How can Baby Boomers cultivate optimism & satisfaction during retirement?*

# FIRST, WHAT DO BOOMERS FIND MOST JOYFUL?

Out of a list of fourteen items, ‘accomplishing a challenge’, ‘creating something’, and ‘spending time with family’ rank highest among Boomers overall.

In fact, **Boomers are significantly more likely to view these items as bringing joy** than US Adults in general.

\*Statistically significantly different



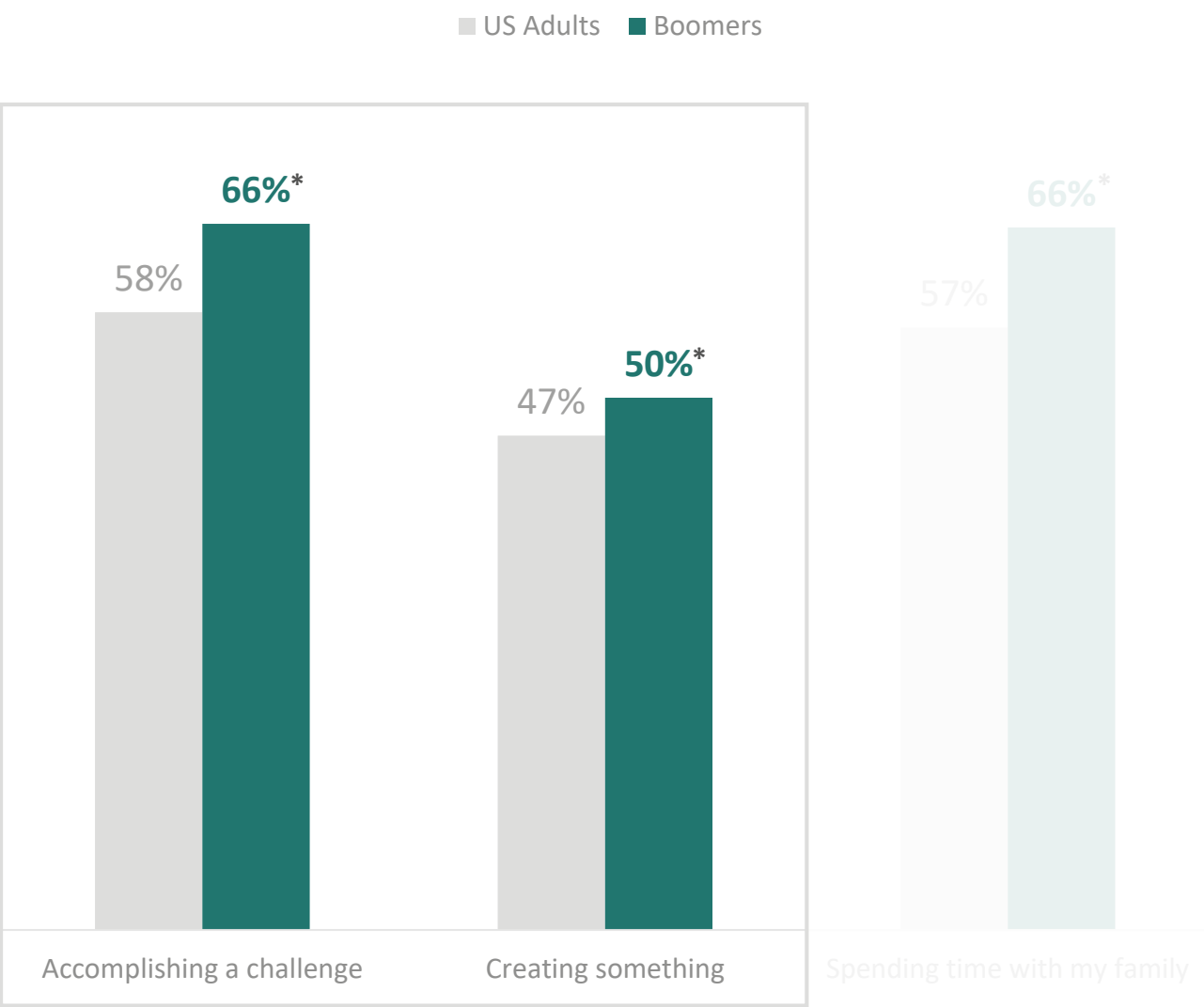


# 'CHALLENGES' AND 'CREATING' ARE MOST ACCESSIBLE TO RETIREES

Not all retirees live in a location where they're easily able to spend time with their family.

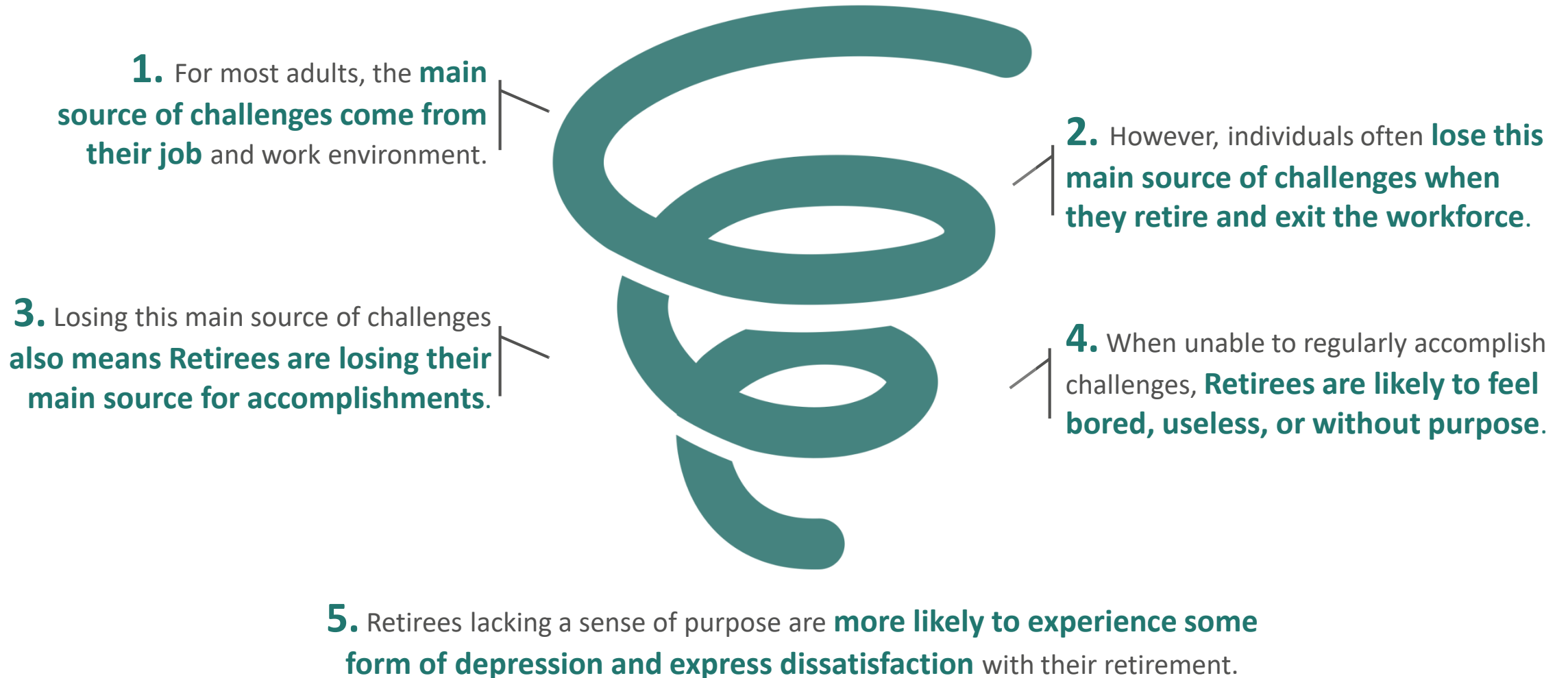
When identifying strategies to shift the retired mindset - joy from **'accomplishing a challenge'** and **'creating something'** are the **most widely-accessible** options for Boomer retirees.

\*Statistically significantly different



# 'CHALLENGES' ALSO HIGHLY RELEVANT TO RETIREES

Once retired, individuals are removed from a main source of challenges they can accomplish.  
Removing this source may ultimately lead some Boomers into a downward spiral.



# BUT 'CHALLENGES' NEED REFRAMING IN RETIREMENT

To best avoid a downward spiral, the retired lifestyle calls for a reframing of what activities are considered a 'challenge'.

Reframing 'challenges' provides two main benefits:

## Creating purpose around common activities to elevate their significance

For example:

- Not just golfing, but entering a local sports league or tournament
- Not just doing chores & errands, but making a weekly schedule and sticking to it
- Not just exercising for health, but training for a short 3k race or 'fun run'

## More frequent opportunities to accomplish challenges

The brain rewards an individual for accomplishing a challenge by releasing a dopamine response.

This often acts as a type of motivation for the individual to accomplish more – creating a cycle of positive reinforcement.

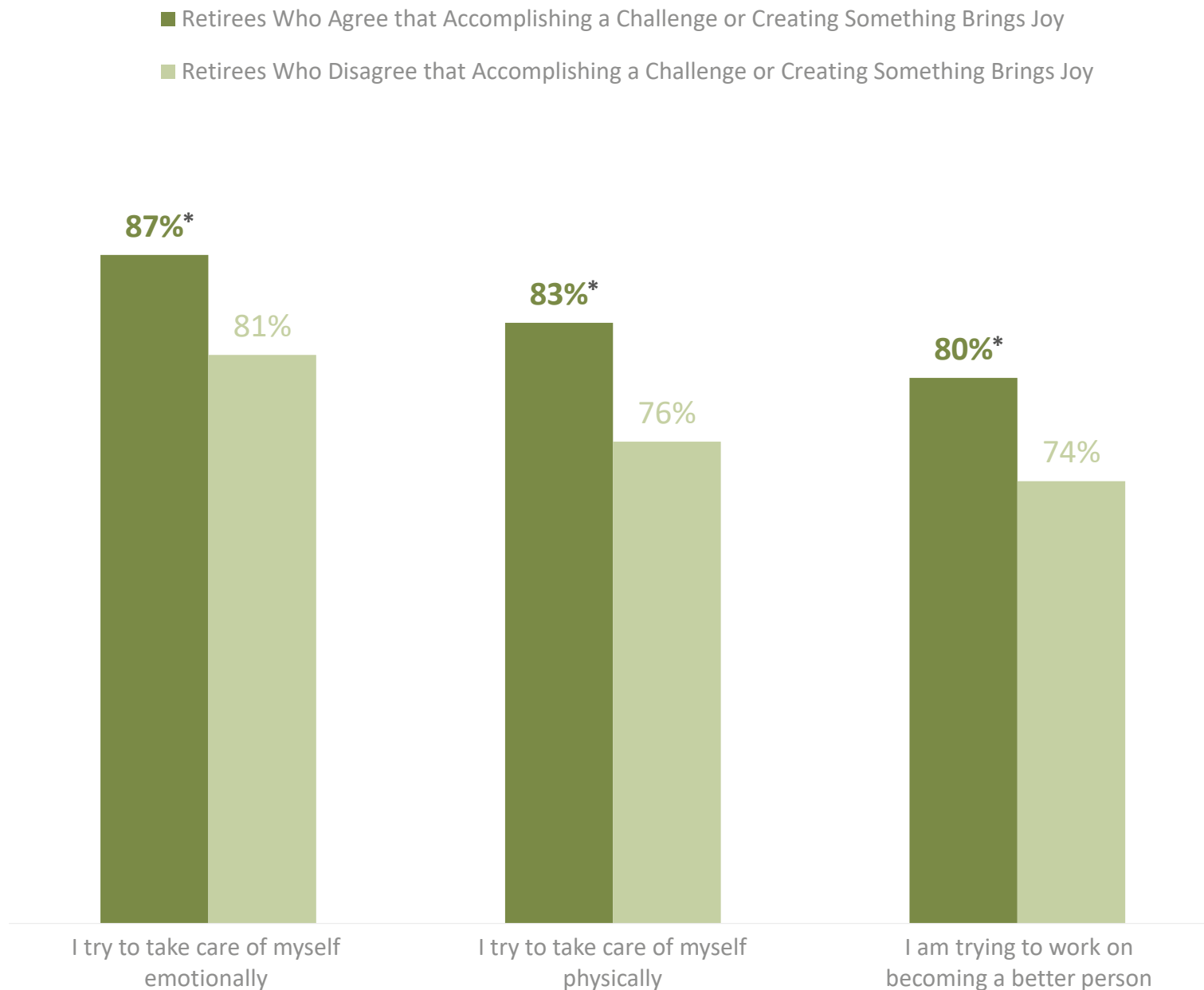
Ultimately, the striving rather than the reward is more long-lived.



# ‘ACCOMPLISHING’ RETIREES ARE MORE LIKELY TO TAKE BETTER CARE OF THEMSELVES

**Retirees Who Agree** that ‘accomplishing a challenge’ or ‘creating something’ brings them joy are **significantly MORE** likely to take care of themselves both physically & emotionally, as well as make efforts to improve upon themselves when compared to **Retirees Who Disagree**.

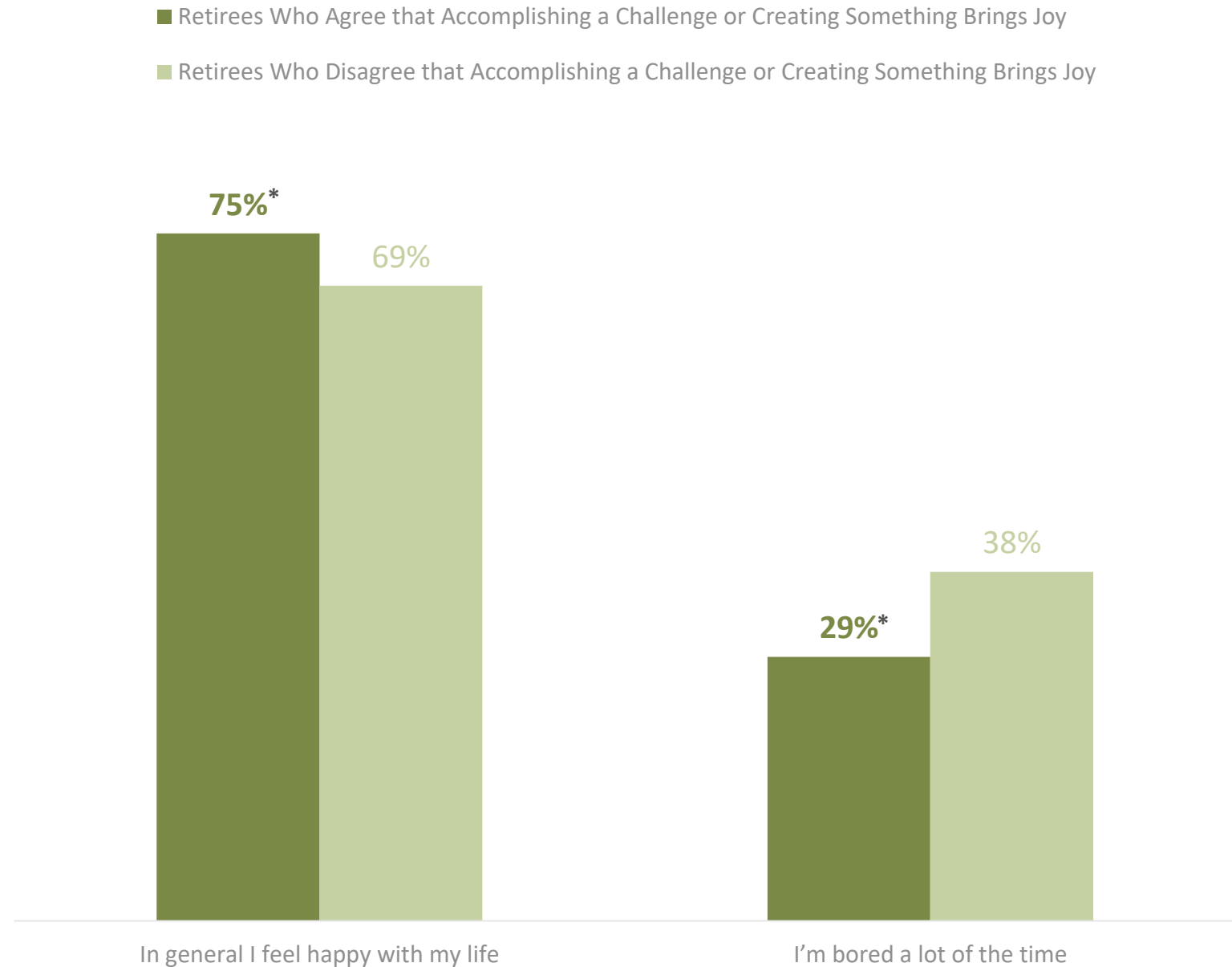
\*Statistically significantly different



# AND, 'ACCOMPLISHING' RETIREES ARE MORE HAPPY

Additionally, **Retirees Who Agree** that 'accomplishing a challenge' or 'creating something' brings them joy **are significantly MORE likely to feel happy with their life and significantly LESS bored** when compared to **Retirees Who Disagree**.

\*Statistically significantly different



# ASIDE FROM ACCOMPLISHING CHALLENGES, THERE ARE OTHER FACTORS THAT CAN INCREASE SATISFACTION



## Employed Retirees are more satisfied and engaged at their job

- Retirees tend to rate their workplaces more **positively** than those not retired
- They want to continue working the same amount of **hours**, if not more (despite many already working full-time)
- Over half have no plans of leaving their **current job** for at least five years
- About 10% plan to work until the day they die



## Retirement jobs help maintain mental health & cognitive functioning

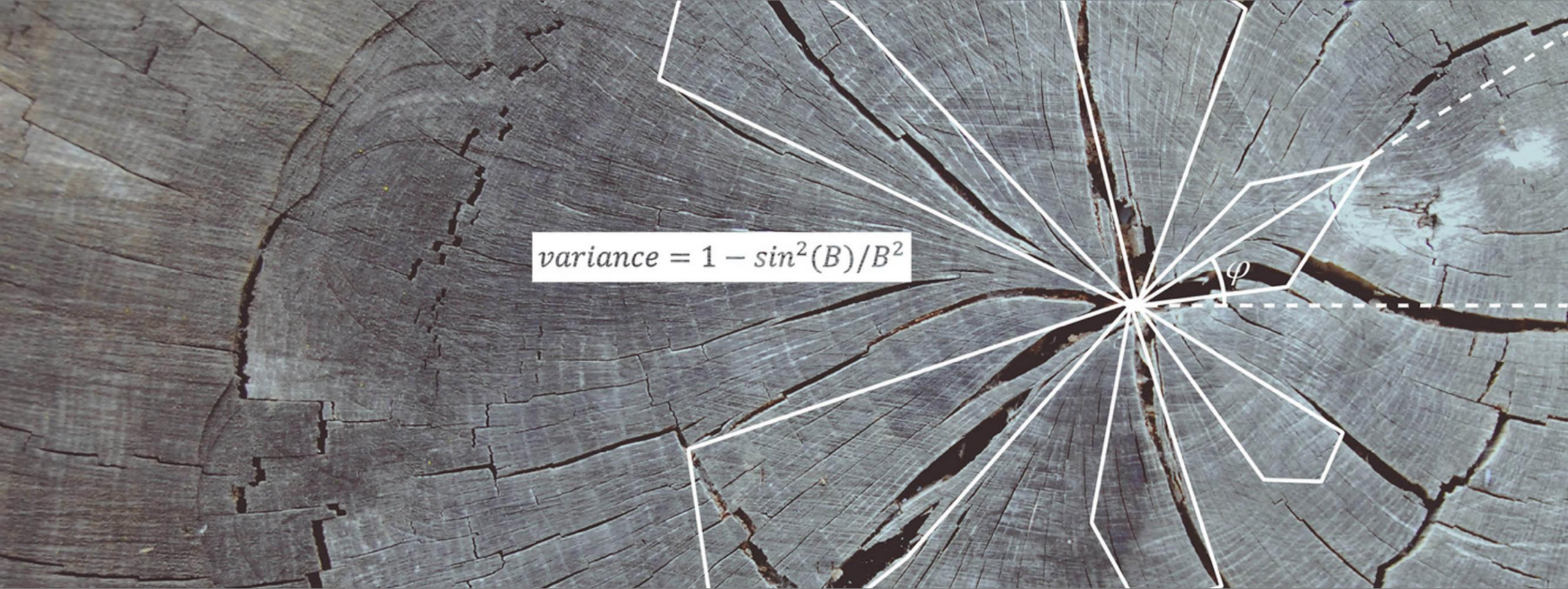
- Retirees tend to have **levels of health, well-being, and life satisfaction on par** with those not yet retired
- **Individuals who fully retire** experience close to a **10% decrease** in overall cognitive functioning
- In line with the 'use it or lose it' mentality, individuals **reduce their risk of dementia by 3.2%** for each additional year worked
- **Good mental & physical health** leads to **higher retirement satisfaction** overall



## Other life factors may also influence retirement satisfaction

- Retirement being **voluntary instead of forced** upon an individual by an employer or their own deteriorating health
- **Being married during retirement**, unless only one of the two spouses is retired
- **Not relying solely on government health insurance** (Medicare) for medical coverage, **but also having private insurance**





$$variance = 1 - \sin^2(B)/B^2$$

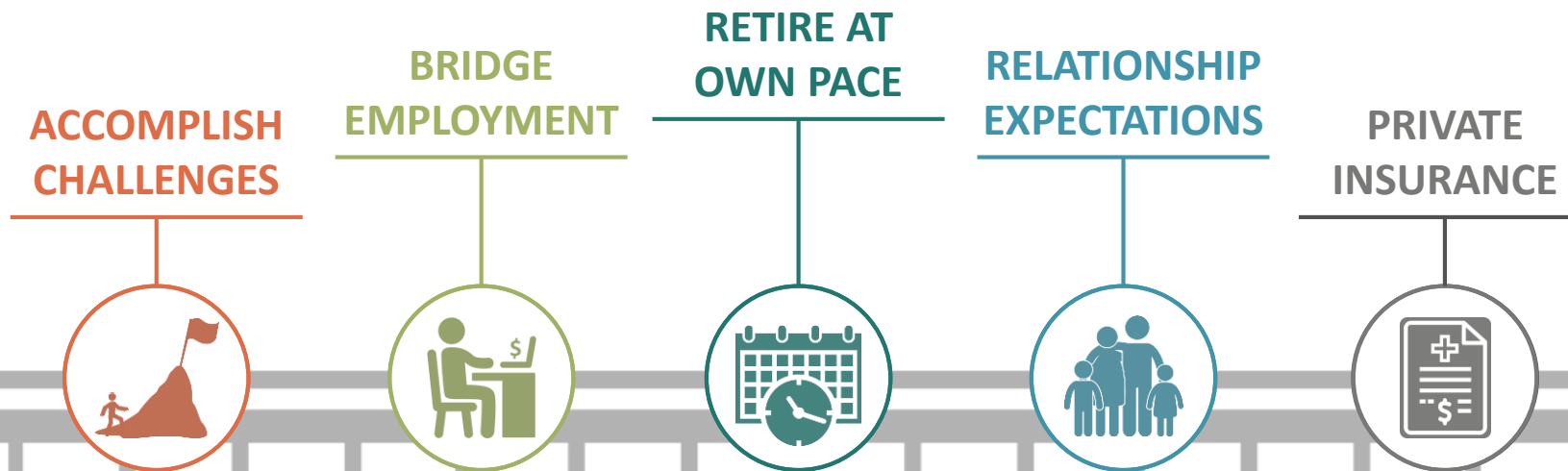
# NAVIGATING THE TRANSITION

*How can Baby Boomers ease into retirement and avoid dissatisfaction?*

# BRIDGE THE GAP WITH PORTFOLIO OF STRATEGIES

Most Baby Boomers approaching retirement know they need to be healthy, and have their financial portfolios in order.  
But do they know they need to be preparing their psychological portfolios as well?

Using the strategies below, educate & equip Boomers with the tools necessary for a satisfying retirement.





# RECOMMENDATIONS FOR A SATISFYING RETIREMENT



## Build an Index of Challenging Activities

*Accomplishments provide a short-term burst of feel-good dopamine, and a long-term sense of pride & success that may help ease Boomers into their new lifestyle.*



## Consider Bridge Employment for Extra Income & Even Enjoyment

*Although Boomers are already staying in the workforce Even part-time employment provides purpose, additional income, and overall higher retirement satisfaction.*



## Avoid Forced Retirement by Having Backup Plans to Transition at Own Pace

*Being unprepared, either financially or mentally or both, puts retirees at a higher risk of experiencing stress and subsequent dissatisfaction.*



## Focus on Relationships – Especially Spousal – and Setting Expectations

*Relationships are increasingly important for Boomers with more free time during retirement. Setting clear expectations beforehand can greatly benefit relationship dynamics.*



## Consider Supplementing Government Medicare with Private Insurance

*Added insurance coverage may give retirees and their families peace of mind that any unexpected medical expenses will be covered in the case of a serious health development.*

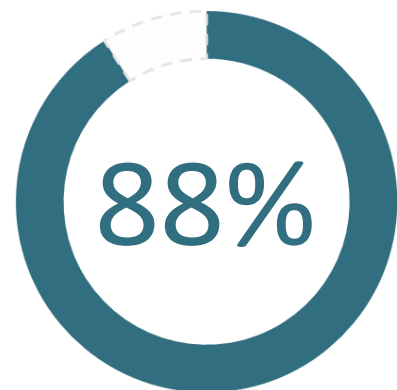
# AGING-IN-PLACE

*Baby Boomer Longevity & Exit Strategies*

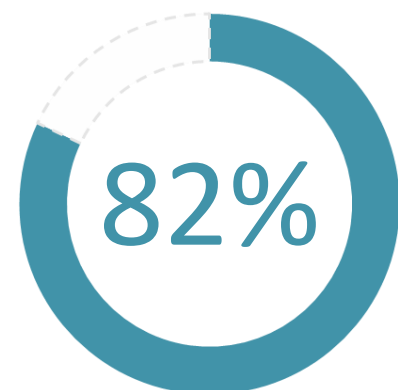


# AGING-IN-PLACE, INDEPENDENTLY, IS MOST IMPORTANT

Regarding their independence & living arrangements, most seniors prefer to age in their own homes and be self-sufficient, even when their health begins to deteriorate.

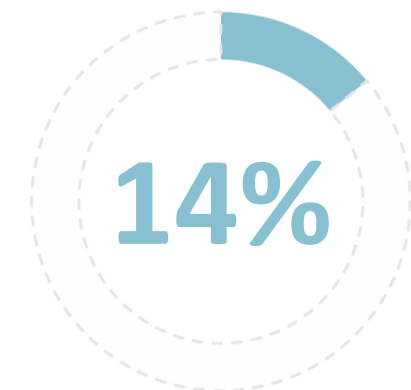


of seniors age 60 to 64 **want to live in their own homes during retirement**, and of that group, and half want to stay in their current home



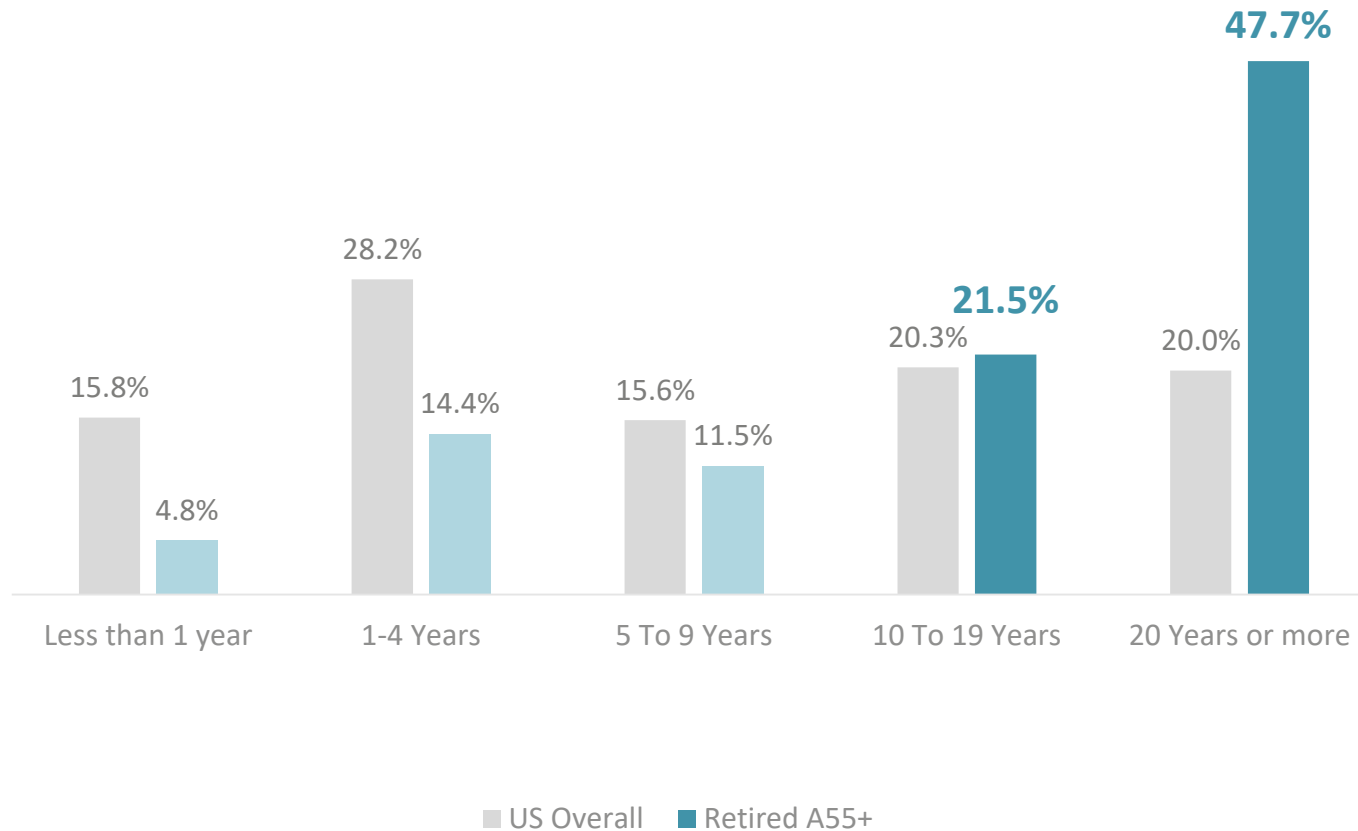
**prefer to live in their own homes even if they begin to need day-to-day assistance**, citing the ability to live under their own rules

But, seniors seem to be in denial about their own health declining, because only...



**actually expect to be dependent at any point during their retirement** and need day-to-day assistance or ongoing health care

## Years Lived at Current Residence



## MOST SENIORS HAVE GROWN DEEP ROOTS

Nearly **70% of retired seniors have lived in their home for over a decade** – and about half have lived there for at least twenty years.

Neighborhood familiarity, proximity of social groups, as well as established relationships with doctors & other wellness providers may all contribute to the appeal of aging-in-place.

# AGING-IN-PLACE TREND HAS LARGER RAMIFICATIONS



Older Americans are aging-in-place at higher rates than ever before, vexing younger generations looking for affordable properties and continuing to disrupt industries due to the sheer size of their cohort.

Living in their homes twice as long as they did before the Great Recession in 2008, **Americans aged 55 and older now control 53% of owner-occupied homes.**

This is the **largest share since the government started collecting data in 1900**, and rose from 43% in 2006.

In comparison, **those age 18 to 34 possess just 11%.** When they were that age, **Boomers owned homes at twice that rate.**

Economists say this phenomenon of aging-in-place is one of the main factors driving the current shortage in housing nationwide.

# HOWEVER, SOME INDUSTRIES HAVE OPPORTUNITIES

Though negatively impacting the inventory of the housing market, Seniors' trend of aging-in-place poses areas of opportunity for other sectors of the economy.



In 2017, the home equity of homeowners age 62 and over was valued at **\$6.3 TRILLION**



## REVERSE MORTGAGES FROM LENDING FIRMS:

Seniors could leverage the equity they have in their home to pay for remodeling to make their home easier to age in.

The number of reverse mortgages is expected to grow to 966,000 by 2030 – nearly doubling from 563,700 in 2012.



## HOME REMODELING FROM CONTRACTORS:

The NAHB predicts the remodeling market for aging-in-place modifications to be \$20-\$25 billion, approximately 10% of the \$214 billion home improvement industry.

# SO ADULT CHILDREN, MOSTLY GEN X, STEPPING IN

For most families, when an aging Boomer's health and capabilities begins to diminish, long-term caregiving will fall onto the shoulders of adult children - many of which belong to the Gen X cohort.

**34.2<sub>MM</sub>**

The estimated number of individuals who provide unpaid care to aging adults ages 50 years and over

**95%**

The percentage of unpaid caregivers that are related to the aging adult needing care

**\$500<sub>B</sub>**

The estimated worth of free care provided annually—three times more than Medicaid's long-term professional care spending

**2010**

The year the ratio of caregivers to care recipients peaked; it has been falling since, largely due to changing family dynamics





# LONG-TERM CARE DISPROPORTIONATELY AFFECTS WOMEN (BOTH SENIORS & CAREGIVERS)

Women's predisposition to living longer and coping with health increases their likelihood of receiving long-term care.



## WOMEN TEND TO LIVE LONGER THAN MEN

- On average, women live five years longer than men (81 versus men's 76)
- Of those who are widowed, 77% are women
- By age 85, women outnumber men two to one
- By 100+, women outnumber men four to one



## WOMEN TEND TO HAVE GREATER HEALTHCARE NEEDS

- Women typically enter into retirement 2 years earlier than men
- Women have approximately 39% higher health costs, equal to \$194,000
- Women are more likely to have multiple chronic conditions
- Women 65+ have double the risk of developing Alzheimer's as men

**In addition, two-thirds of care provided to aging adults is done by women – ultimately positioning the female demographic as the decision-makers for caregiving, especially for long-term care.**

# FOOD FOR THOUGHT:

- How do we NOT say: “You should stay busy?”
- How do we create challenges? How do we depict accomplishments?
- Instead of travel and grandchildren vignettes, how do we depict achievement?
- Boomers have deep roots in the community:
  - How can we communicate in a relevant way?
- How do we target women more effectively?
  - They retire earlier, live longer, greater healthcare needs, and provide more caregiving
  - Also, likely heavy influencers on healthcare choices

**THANK YOU**

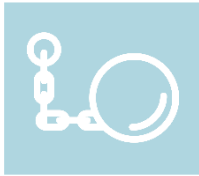


# APPENDIX



# SLIDE 12 – INFORMATION SOURCES

Post-Retirement depression may stem from innumerable sources, but some of the most common include:



## FEELING OBLIGATED TO OTHERS' EXPECTATIONS

'When we are **doing things that are 'shoulds' or things that we feel like we have to do** and are obligatory.'

*PSYCHOLOGIST JACQUELYN B. JAMES, PHD - SLOAN CENTER ON AGING & WORK AT BOSTON COLLEGE*



## POSSESSING TYPE-A TENDENCIES

'Certain **personality characteristics, such as being competitive and assertive**, are attributes that make people successful in their work life, but often **work against them in retirement.**'

*PSYCHOLOGIST ROBERT P. DELMONTAGNE, PHD - AUTHOR OF 'THE RETIRING MIND: THE PSYCHOLOGICAL TRANSITION TO RETIREMENT'*



## FOCUSING ON FAMILY, RATHER THAN SELF

'Feeling obligated in one's **post-retirement relationships** can have a deleterious effect, **such as feeling pressured by family to plan their retirement based on the extended family's needs**, rather than their own.'

*NANCY K. SCHLOSSBERG, EDD - AUTHOR OF 'REVITALIZING RETIREMENT' AND 'RETIRE SMART, RETIRE HAPPY: FINDING YOUR TRUE PATH IN LIFE'*



## TYING CAREER TO SELF-IDENTITY

'**Many people are what they do**, and it defines them. If all a person has done in life is work, and has no other interests, **then without work, what is there?**'

*GERIATRIC PSYCHIATRIST PHILIP R. MUSKIN, MD - COLUMBIA UNIVERSITY DEPARTMENT OF PSYCHIATRY*



# SLIDE 27 – INFORMATION SOURCES

In addition to providing a consistent and reliable source of challenges, and thus accomplishments, research shows employment during retirement has a positive influence on retirees' such as:

## BETTER HEALTH THAN FULL-RETIREEES

**Better mental & physical health** than full-retirees, and **levels of health, well-being, and life satisfaction on par** with those who have yet to retire.

*'BRIDGE EMPLOYMENT AND TREIREES' HEALTH: A LONGITUDINAL INVESTIGATION'*  
PUBLISHED BY JOURNAL OF OCCUPATIONAL HEALTH PSYCHOLOGY [2009]

## MAINTAINED COGNITIVE FUNCTIONING

Additionally, research insights show that **individuals who are fully retired experience close to a 10% decrease in overall cognitive functioning.**

*'DOES RETIREMENT AFFECT COGNITIVE FUNCTIONING?'* PUBLISHED BY THE RESEARCH CENTRE FOR EDUCATION AND THE LABOUR MARKET OF MAASTRICHT UNIVERSITY

## REDUCED RISK OF DEMENTIA

Inline with the 'use it or lose it' hypothesis, **each additional year an individual worked, they reduced their risk of dementia by approximately 3.2%.**

*FINDINGS FROM FRENCH GOVERNMENT AGENCY 'INSERM' AND PRESENTED AT THE 'ALZHEIMERS ASSOCIATION INTERNATIONAL CONFERENCE' IN BOSTON [2013]*

## HIGHER RETIREMENT SATISFACTION\*

Having **good health overall leads to higher retirement satisfaction** than those in less-than-good health - **which is expected if health is a complement to leisure time.**

*'THE WELL-BEING OF RETIREES'* PUBLISHED BY KEITH A. BENDER FROM THE CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE [2004]