

## **Are You “Old”, and What Does Work Look Like if you Are?**

### **The New “Retirementality” Continued...**

---



With deference to Mitch Anthony, who writes often about this topic, we agree that the idea of institutionalized retirement is nothing more than an Industrial Age social experiment that, for many, has run its course. Chancellor Otto von Bismarck in the 1880s in Germany mandated that the age for retirement was 70, while the average German worker didn't live past 46. The legislation was imported to the United States during the Great Depression as a lever to move older workers out and younger workers into the workplace. At the time (1935), the average worker lived to be 62.

More than a few of us have noted people retiring with some means but very little meaning. Is having \$2 million in the bank with nothing significant to do with your day a compelling vision for life? A recent Rand study noted the "diminishing law of returns on leisure" as a chief capstone of an emerging "un-retirement trend." What the leisure/life propagandists failed to realize is that leisure seems to draw its merit and meaning from work. **What makes leisure fun is the fact that "You're not working at the moment."** Remove work, and leisure may become monotonous and boring.

The solution? **Meaningful, engaging, flexible work** still allowing time for family, friends, faith and fitness activities in your "older" years.

Are **YOU** "old"?

Statistically, your average 70-year-old has just a 2% chance of dying within a year. The estimated upper limit of average life expectancy is now 97, and a rapidly growing number of 70-year-olds will live past age 100.

Perhaps more importantly, today's 70-year-olds are in much better shape than their grandparents were at the same age. In most developed countries, healthy life expectancy from age 50 is growing faster than life expectancy itself, suggesting that the period of diminished vigor and ill health towards the end of life is being compressed.

A recent series of articles in the *Economist* suggest that we need a new term for people age 65 to 85, who are generally hale, hearty, and capable of knowledge-based work on an equal footing with 25-year-olds. Yet this group is increasingly experiencing greater barriers to entry in obtaining jobs because they are ... "old". Indeed, the article suggests that if this cohort does NOT start returning to the workplace, the impact could be catastrophic on society as a whole.

Globally, a combination of falling birth rates and increasing lifespans threaten to increase the "old-age dependency ratio" (the ratio of retired people to active workers) from 13% in 2015 to 38% by the end of the century. This, of course, points to huge fiscal strains on our pension and Social Security systems, because fewer workers will be paying for retirement benefits for more retirees. You don't have to look beyond your current Social Security Benefits estimate to see this footed disclosure: *"\*Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at*

*any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.”*

What to do? The article notes that, in the past, whenever a new life stage was identified, deep societal and economic changes followed in the wake. A new focus on childhood in the 19th century paved the way for child-protection laws, mandatory schooling and a host of new businesses, from toymaking to children’s books. When teenagers were first singled and labeled as a distinct demographic in America in the 1940s, they turned out to be a great source of economic value, thanks to their willingness to work part-time and spend their income freely on new goods and services.

The next most logical shift in our thinking could be separating out people age 65-85 from the traditional “old” and “retiree” category—and calling them something different. Labeling can be an incredibly self-fulfilling force. Anyone that has raised children knows the impact of labeling (e.g. we labeled and reinforced the notion that our kids were math/science “smart” as soon as they could count to 100. It works. It really does).

So this new category of vibrant adults might then continue at their desks, or downshift into the kinds of part-time work that emphasize knowledge and relationships. Many who experienced mandatory retirement retired to the so-called gig economy. Though gigging is usually seen as something that young people do, in many ways it suits older people better. They are often content to work part-time, are not looking for career progression and are better able to deal with the precariousness of such jobs. The article notes that a quarter of drivers for Uber are over 50.

More broadly, a quarter of all Americans who say they work in the “sharing economy” are over 55. Businesses that offer on-demand lawyers, accountants, teachers and personal assistants are finding plenty of recruits among older people.

Still others are preparing for life beyond traditional retirement by becoming entrepreneurs. In America people between 55 and 65 are now 65% more likely to create new companies than those between 20 and 34. In Britain 40% of new founders are over 50, and almost 60% of the over-70s who are still working are self-employed.

All of these changes represent societal adjustments to a reality that isn’t well-publicized: that the traditional retirement age increasingly makes no sense in terms of health, longevity and the ability to contribute. The sooner we find a label for healthy people age 65 to 85, perhaps the sooner we/they and the rest of society will reap the rewards.

### ***What do you want to be called?***