



New Expectations, New Rewards: Work in Retirement for Middle-Income Boomers

Key Findings

Middle-income Boomers view employment as a part of the retirement experience.

- Nearly one-third (28%) of retired Boomers indicate that they are either currently employed or have been employed for pay in retirement.
- Of retired Boomers who are not currently employed, half (48%) would like to work but are unable to work, most often because of health reasons.
- Of retired Boomers who are currently employed, more than six in 10 (61%) are working because they want to work not because they have to work.
- For six in ten (59%) employed retirees, the primary reasons they work are nonfinancial, including to stay mentally alert (18%), to remain physically active (15%) or to have a sense of purpose (14%).
- Half (49%) of employed middle-income Boomer retirees expect to work beyond age 70 or as long as their health will allow.

For middle-income Boomers, retirement is now a time of increased flexibility when it comes to their employment.

- Nearly nine out of ten (88%) employed Boomer retirees have work arrangements other than full time, including part time (59%), freelance (18%) or seasonal (7%).
- Four in ten (42%) working retirees indicate they are self employed or small business owners.

Despite lower compensation, working Boomer retirees are happier and more satisfied with their jobs than nonretirees.

- Nearly three-quarters (72%) of employed retirees report that their per hour compensation in retirement is less than it was before retirement.
- More than three-quarters (78%) of employed retirees report they are as satisfied or more satisfied with their job compared with their pre-retirement work. One-third (32%) report being much more satisfied now.
- Compared to nonworking retirees, employed retirees report lower stress levels and better relationships.

Many retirees would have liked to have worked longer but find that they must retire earlier than expected, most commonly because of health reasons.

- Nearly seven in ten (69%) retired middle-income Boomers say they retired earlier than expected.
- Among those retirees who retired earlier than expected, nearly eight in ten (79%) retired early for reasons that were not in their control, such as personal health reasons (39%), being laid off (19%) or to care for a loved one (9%).

Nearly two-thirds of nonretired middle-income Boomers plan to work in retirement, primarily because they will want to work.

- Of nonretirees who expect to retire someday, six in 10 (60%) plan to do some kind of work for pay in their retirement.
- Of this group, more than two-thirds (68%) plan to work in retirement because they will want to work.

Nonretired middle-income Boomers have unrealistic expectations about compensation and the work arrangements they will be able to find.

- Only two in ten (21%) nonretired Boomers would be willing to take a pay cut for their work in retirement, while more than half (53%) of currently employed retirees report making much less per hour in retirement.
- Nearly all (94%) nonretirees who plan to work in retirement would like some kind of special work arrangement, such as flex-time or telecommuting, but only about one-third (37%) of currently employed retirees have such an arrangement.

For employers, retirees represent a large category of potential workers with different values and needs than nonretired workers.

- More than one-quarter (26%) of employed retirees are looking for an employer that accommodates flexible work hours or schedules. In contrast, flexibility is the primary employer quality for less than one in 10 (9%) nonretired workers.
- More than one-third (34%) of nonretired workers say the primary quality they look for in an employer is one that pays well. In contrast, this is the primary quality for just over one-tenth (13%) of employed retirees.